Unemployment Insurance Review

September 1967

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- Federal UI Proposals and State Legislative Changes July 1, 1965 — July 1, 1967
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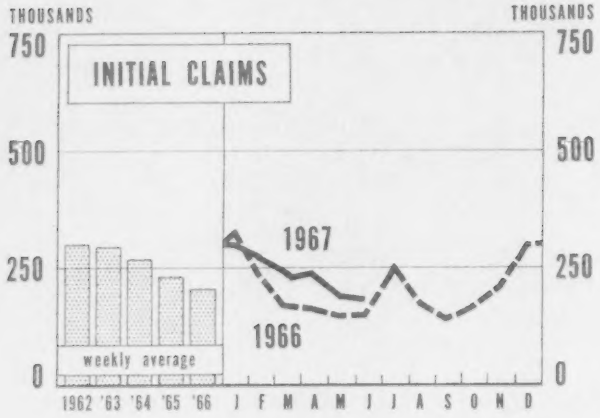
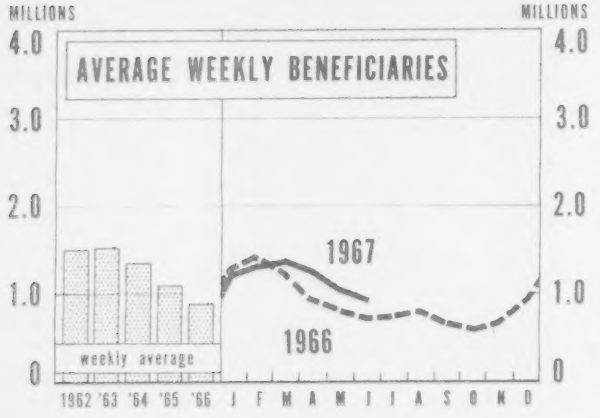
UNITED STATES DEPARTMENT OF LABOR
Manpower Administration

UNEMPLOYMENT INSURANCE ACTIVITIES

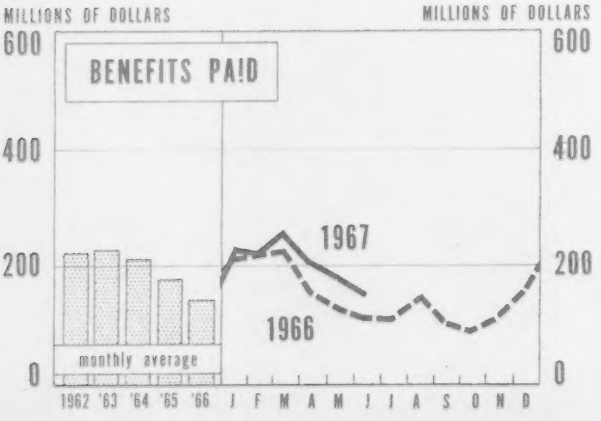
UNDER STATE PROGRAMS



Initial claims under State programs remained virtually unchanged in June, declining by 1,500 to a weekly average of 186,300. This was 30,000 more than in June 1966 and the second lowest volume for June since 1953.



In June the average weekly number of beneficiaries declined by 88,500 to 925,200. This was the lowest average for the month in 14 years, except for June 1966 when beneficiaries totaled 701,700.



Benefits paid to insured jobless workers under State programs totaled $156.1 million in June—a drop of $27.6 million from May but a rise of $41.7 million from June a year ago.

Unemployment Insurance Review

September 1967
Vol. 4, No. 9

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Federal UI Proposals and State Legislative Changes

July 1, 1965—July 1, 1967

Daniel P. Riordan

THE STATE legislative sessions were awaited with great interest this year because it was thought that they would help to answer the question left unanswered when H.R. 15119, the Unemployment Insurance Amendments of 1966, died in joint conference in the last week of the 89th Congress. In essence, this question was whether it is necessary for the Congress to add new Federal participation, resources, standards, and requirements to the existing unemployment insurance system in order to assure needed improvements in the program.

H.R. 8282, the Administration's unemployment insurance bill (introduced May 19, 1965), had offered a strongly affirmative answer to this question. It proposed Federal action to extend coverage, raise the taxable wage base and tax rate, provide Federal grants to help meet States' excess benefit costs, establish requirements for the States concerning qualifying tests for benefits, benefit amounts and duration, fix limits on disqualifications, and provide a new Federal program of extended benefits for the long-term unemployed. All of these proposals evoked opposition, although in different degrees, but the ultimate focus of disagreement was on the issue of Federal benefit requirements. Proponents urged that such requirements were needed to assure continued progress in providing adequate benefits. Opponents countered that the States could be relied upon to provide adequate benefits without Federal requirements.

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The House did not include such requirements in its version of H.R. 15119 last year. (H.R. 15119, developed by the House Ways and Means Committee, was its substitute for the Administration's bill, H.R. 8282.) The Senate, however, amended H.R. 15119 to include Federal benefit requirements. It was this difference between the House and Senate versions of the bill that proved irreconcilable by the joint conferees and led to the demise of H.R. 15119.

Presumably, a renewed attempt in the present or a future Congress to add new Federal requirements to the present unemployment insurance system would invite a repetition of the discussion as to whether, in view of State legislation, such Federal legislation is needed. Coming as it did on the heels of the 89th Congress' long and detailed consideration of Federal unemployment insurance legislation, the unemployment insurance record of the State legislatures in 1967—a year when 49 of the State legislatures were in session—is bound to be scrutinized for the light it sheds on this question. This article undertakes a preliminary step in that scrutiny and seeks to provide, as a basis for judgment, a comparison of the State unemployment insurance laws, as of July 1, 1965, and as of July 1, 1967, with respect to the subject areas that were under consideration by the 89th Congress. The dates chosen for the comparison bracket a period that includes the active consideration of unemployment insurance legislation by the 89th Congress and the 1967 State legislative sessions. Although the Administration's bill (H.R. 8282) was introduced May 19, 1965, hearings by the House Ways and Means Committee began August 9, 1965. As of July 1, 1967, 30 of the 49

State legislatures meeting in 1967 had already adjourned.

Coverage

H.R. 8282 would have extended Federal unemployment tax coverage to employees of employers of one or more workers at any time, employees of nonprofit religious, charitable, and educational organizations (with certain exceptions), agricultural workers on large farms, certain workers in agricultural processing and other essentially industrial activities, and to certain workers not now covered because they are not employees under the common-law master-servant test. The House (but not the Senate) version of H.R. 15119 would have extended such coverage to employers of one or more workers in each of 20 weeks in a year, or with $1,500 in wages paid in any calendar quarter. Both House and Senate versions of the latter bill would have required States to cover services performed for nonprofit organizations, State hospitals, and institutions of higher learning (with certain specified exceptions). Both versions would have covered certain agent drivers and salesmen and certain agricultural processing workers under the Federal Unemployment Tax Act.

As of July 1, 1965, there were 21 States that covered employers who employ one or more workers. Three States covered agricultural labor at that time; four covered employment for nonprofit organizations; and 10 covered service performed for State or local governments, or both, on a compulsory basis. Since mid-1965, four States have enacted legislation affecting their size-of-firm coverage (all enacted this year)—in three States such coverage will be extended, and in one State it has been narrowed somewhat. Starting next year Connecticut will cover employers of one or more workers in 13 weeks in a year instead of employers of three or more workers in 13 weeks. New Jersey is scheduled in 1969 to change from coverage of employers of four or more in 20 weeks in a year to coverage of employers of one or more, with a payroll of $1,000 in a calendar quarter. Puerto Rico will move to coverage of employers of one or more at any time, but in three steps: three or more beginning in 1968, two or more beginning in 1969, and one or more beginning in 1970. Idaho, on the other hand, changed this year from coverage of employers with $150 in wages in a calendar quarter to coverage of employers with $300 in wages in any such quarter.

Since July 1, 1965, employment exclusions have been changed in seven States to extend coverage and in seven to restrict coverage. The number of States which cover agricultural employment remains unchanged at three—the District of Columbia, Hawaii, and Puerto Rico. However, New York last year narrowed its exclusion of agricultural labor by exempting such service only if it is performed in the employ of an operator of a farm. This year Hawaii extended its coverage to include certain services performed by fishermen in connection with smaller fishing vessels. Michigan included in its definition of "employment" services as an officer or crew member of an American vessel of less than 200 horsepower. The number of States which cover employment for nonprofit organizations also remains unchanged at four—Alaska, Colorado, the District of Columbia, and Hawaii. Connecticut this year enacted a "standby" provision that would extend unemployment insurance protection to employees of nonprofit organizations while requiring their employers to reimburse the fund only for benefits actually paid to their workers and otherwise exempting them from State unemployment insurance taxes. The provision becomes operative only upon certification by the U.S. Secretary of Labor that it is in conformity with the Federal Unemployment Tax Act. Connecticut thus joined California and New York which already have similar standby provisions in their laws. The Secretary has not as yet certified any such provisions. No State in the past 2 years has joined the 10—Connecticut, Hawaii, Idaho, Michigan, Minnesota, New Hampshire, New York, Oregon, Rhode Island, and Wisconsin —which compulsorily cover employment for State or local governments, or both. However, Nebraska amended its law to permit any State administrative department, commission, or board to elect coverage; Indiana extended coverage to certain municipally owned public utilities; Rhode Island extended coverage to its transit authority employees; and Utah, which previously permitted election of coverage of political subdivisions by interpretation, amended its law to authorize such election statutorily. Over the past 2 years, seven States—Alaska, Arizona, Georgia, Maine, Maryland, Michigan, and Wyoming—enacted provisions excluding from coverage certain relatively small, specialized groups of individuals previously covered.

During the period under consideration, then, 10

States extended coverage and eight restricted it, in some fashion. The July 1965–June 1967 legislation assures that, as of 1970, employers of one or more workers will be covered in 24 States, as compared with the 21 States which had added such provisions as of July 1, 1965. The number of workers added to coverage by State amendments during this period may be estimated at less than 150,000, as compared with the 3.5 million that the House version of H.R. 15119 would have added and the 2.3 million the Senate version would have added to State coverage. There has been no change in the number of States covering workers in agricultural employment, employees of nonprofit organizations, and employees of State and local governments (on a compulsory basis) during the 2-year period.

Benefits

Qualifying and requalifying requirements.—H.R. 8282 and the Senate version of H.R. 15119 provided that no worker would be required to have more than 20 weeks of employment, or the equivalent, in his base period to qualify for benefits. "Equivalent" was defined to mean base-period wages equal to five times the statewide average weekly wage, and either 1½ times the worker's high quarter earnings or 40 times his weekly benefit amount, whichever would be appropriate under State law.

During the 2 years since July 1, 1965, 11 States adopted legislation affecting qualifying requirements for benefits. In six of the States the changes were of a significant nature. Last year Delaware changed its qualifying wage requirement from 30 to 36 times the individual's weekly benefit amount, thus increasing the minimum base-period qualifying wages from $210 to $360. At the same time, it added a five-step "step-down" provision. This year, Connecticut changed its qualifying wage requirement from $750 in wages paid in the base period to 30 times the individual's weekly benefit amount paid and earned in the base period. Minnesota changed its requirements from 17 weeks of employment and $520 in wages in the base period to 18 weeks of employment and $520 in wages. Oklahoma changed its requirements from 1½ times high-quarter wages, but not less than $300 in base-period wages, with an alternative requirement of $3,000 in base-period wages, to 1½ times high-quarter wages, but not less than $500 in base-period wages with no alternative.

Effective October 1, 1967, Texas will replace its present three alternative qualifying requirements—$375 in wages, with $250 in one quarter and $125 in another in the base period; or $450 in wages, with $50 in each of three quarters in the base period; or $1,000 in wages in one quarter of the base period—with a single requirement of earnings equal to 1½ times high-quarter wages, but not less than $600 in the base period. Wyoming changed its requirements this year to 20 weeks of employment, with 20 hours of work in each week, and wages of not less than $800 in the base period. Formerly, Wyoming required 26 weeks of employment, with at least 24 hours of work and $18 in wages in each week, plus wages equal to 1½ times high-quarter wages, with at least $250 in one quarter in the base period, to qualify for benefits. Relatively minor changes were also made or effected in the qualifying requirements of Idaho, Maine, New Jersey, Tennessee, and Virginia in the 2-year period. Idaho, by providing that individuals with 1½ times their high-quarter wages in their base periods be held eligible for benefits even though their base-period wages are less than required for their wage class, reduced its minimum qualifying wage requirement from $572 to $547.50; Tennessee, however, when increasing its minimum weekly benefit amount from $12 to $14, thereby raised its minimum qualifying wage requirement from $432 to $504.

The changes during the period under consideration in the States' qualifying requirements delete one State (Connecticut) from, and add three States (Oklahoma, Tennessee, and Texas) to, the 22 States which would not have met the proposed Federal requirement that no individual be required to have more than 20 weeks of work, or its equivalent, in his base period to qualify for benefits.

H.R. 8282 and both House and Senate versions of H.R. 15119 also incorporated somewhat similar successive-benefit year requalifying provisions, requiring an individual to have had some work since the beginning of a previous benefit year to qualify for compensation in the next benefit year.

Three States (Arizona, Texas, and West Virginia) adopted requalifying provisions, and one State (Connecticut) amended its existing provision, in the 2 years since July 1, 1965.

Since the Federal legislative proposals relating to requalifying requirements varied somewhat,

there are several States which could meet one proposal but not another. However, adding Arizona, Texas, and West Virginia to the number of the States with requalifying requirements in their laws now leaves 20 States with no requalifying provisions in their laws that would meet any of the provisions in this area that were included in the proposed Federal legislation.

Computation of benefits.—H.R. 8282 and the Senate version of H.R. 15119 would have assured each individual eligible for unemployment insurance benefits a weekly benefit amount equal to at least half his average weekly wage, up to the State maximum weekly benefit amount.

Maine and New Jersey were the only States to make changes in their methods of computing the weekly benefit amount, over the 2-year period under consideration. The change in the Maine computation provision was relatively minor. New Jersey, which presently computes the individual weekly benefit amount as an amount equal to between 51 and 59 percent of the individual's average weekly wage, amended its law this year so that, effective for benefit years beginning on or after January 1, 1968, it will compute the individual weekly benefit amount as two-thirds of the individual's average weekly wage (up to the maximum weekly benefit amount).

The New Jersey amendment was the only significant one among the States relating to the computation of benefits over the 2-year period. However, no change was made in the number of States (eight) which do not meet the standard relating to this area proposed in the Federal bills.

Maximum weekly benefit amount.—H.R. 8282 and the Senate version of H.R. 15119 would have required each State's maximum weekly benefit amount to equal at least 50 percent of the statewide average weekly wage, computed annually. H.R. 8282 further provided for a gradual increase in the percentage to at least 66⅔ percent of the statewide average weekly wage.

In the 2-year period since July 1, 1965, 24 States have amended their statutes to increase their maximum weekly benefit rates. Alaska, Delaware, Florida, Georgia, Indiana, Louisiana, Maryland, Minnesota, Missouri (effective January 1, 1968, with a further increase effective January 1, 1970), Nebraska, Nevada, New Hampshire (effective October 1, 1967), New Mexico, Oklahoma, Oregon, South Dakota, Tennessee, Texas (effective October 1, 1967), and Virginia all increased their maximum weekly benefit rates to new fixed amounts. Five States (Connecticut, Kentucky, New Jersey, Puerto Rico, and West Virginia) adopted flexible maximum weekly benefit amounts. Connecticut (effective October 1, 1967) adopted a flexible maximum weekly benefit amount equal to 60 percent of the statewide average weekly wage for production and related workers. The maximum is limited, however, to $60 until October 5, 1968, and to $70 until October 6, 1969; thereafter the maximum may not be increased in any year by more than $6. Kentucky adopted a flexible maximum computed annually as 55 percent of 85 percent (46.75 percent) of the statewide average weekly wage in the preceding calendar year; New Jersey (effective January 1, 1968) and Puerto Rico adopted flexible maximums equal to 50 percent of the statewide average weekly wage, computed annually; and West Virginia adopted a flexible maximum equal to 40 percent of the statewide average weekly wage, also computed annually.

Including New Jersey and Connecticut, there are now 21 States with provisions in their laws for computing the maximum weekly benefit amount as a percentage of the statewide average weekly wage, an increase of five States over the past 2 years. Of all the States (including the District of Columbia and Puerto Rico) only 20 would meet a Federal standard requiring the maximum weekly benefit amount for each State to equal at least one-half of the statewide average weekly wage, based on calendar year 1966 average weekly wage figures and taking into account all the latest increases enacted (even though not yet effective). Table 1 sets forth each State's maximum weekly benefit amount as a percentage of its statewide average weekly wage as of July 1, 1965, and July 1, 1967. The bar chart summarizes the percentage-group standing of the States for the same two dates.

Duration.—H.R. 8282 provided that workers with 20 or more weeks of employment, or equivalent, in their base periods would be entitled to no less than 26 weeks of benefits. The Senate version of H.R. 15119 provided that workers with 39 or more weeks of employment, or equivalent, in their base periods would be entitled to no less than 26 weeks of benefits.

During the period under consideration, six States enacted legislation affecting the duration of benefits to which eligible claimants may be entitled. Last year, Alaska increased from 26 to 28

TABLE 1.—RATIO OF STATE MAXIMUM WEEKLY BENEFIT AMOUNTS TO STATEWIDE AVERAGE WEEKLY COVERED WAGES JULY 1, 1965 AND JULY 1, 1967

State	State maximum weekly benefit amount as a percentage of statewide average weekly wage [1]		State	State maximum weekly benefit amount as a percentage of statewide average weekly wage [1]	
	July 1, 1965	July 1, 1967		July 1, 1965	July 1, 1967
Alabama	43	39	Montana	37	34
Alaska	27–42	31–45	Nebraska	43	45
Arizona	41	39	Nevada	35–51	35–51
Arkansas [2]	50	50	New Hampshire	55	55
California	53	50	New Jersey	43	[3] 50
Colorado [2]	50	50	New Mexico	38	40
Connecticut	44–66	60	New York	47	44
Delaware	43	44	North Carolina	52	47
District of Columbia [2]	50	50	North Dakota [2]	50	50
Florida	36	40	Ohio	36–46	34–42
Georgia	40	47	Oklahoma	33	37
Hawaii	66⅔	66⅔	Oregon	42	44
Idaho [2]	52½	52½	Pennsylvania	44	40
Illinois	36–60	33–56	Puerto Rico	38	50
Indiana	36–39	33–41	Rhode Island [2]	50–64	50–63
Iowa [2]	50	50	South Carolina [2]	50	50
Kansas [2]	50	50	South Dakota	42	44
Kentucky	43	[3] 46.8	Tennessee	43	45
Louisiana	42	42	Texas	42	43
Maine [2]	50	50	Utah [2]	50	50
Maryland	49	47	Vermont [2]	50	50
Massachusetts	[1] 49	[1] 46	Virginia	40	44
Michigan	34–56	32–53	Washington	37	34
Minnesota	46	45	West Virginia	34	[3] 40
Mississippi	39	35	Wisconsin [2]	52½	52½
Missouri	43	47	Wyoming [2]	50	50

[1] Where 2 figures are shown, the higher figure reflects augmentation of maximum weekly benefit amount by maximum dependents' allowance under State law. The maximum augmented weekly benefit in Massachusetts is limited to the individual claimant's average weekly wage.

[2] Maximum weekly benefit amount computed as the indicated percentage of statewide average weekly wage. In Colorado, the maximum weekly benefit amount is computed as 50 percent of the average weekly wage in selected industries in the State, weighted by the volume of covered employment in each industry.

[3] In the period between July 1, 1965, and July 1, 1967, Kentucky, Puerto Rico, and West Virginia changed their maximum weekly benefit amounts from fixed amounts to "flexible" amounts, computed as the indicated percentage of the statewide average weekly wage. Connecticut changed to a flexible maximum computed as 60 percent of statewide average weekly wage effective Oct. 1, 1967. Connecticut's maximum is limited, however, to $60 until Oct. 5, 1968, and to $70 until Oct. 6, 1969; thereafter the maximum may not be increased in any year by more than $6. New Jersey changes to a flexible maximum computed as 50 percent of statewide average weekly wage, effective Jan. 1, 1968.

weeks the maximum potential number of weeks for which a claimant may be eligible, and Delaware increased from 37 to 40 percent the proportion of a claimant's base-period wages payable to him in benefits. This year, Connecticut amended its law so as to limit maximum potential duration to the lesser of "twenty-six times . . . [the individual's] total unemployment benefit rate, or . . . an amount including dependency allowances equal to seventy-five percent . . ." of his base-period earnings, in place of the lesser of 26 weeks of benefits or one third of the individual's base-period earnings. New Jersey amended its law so that beginning next year the maximum potential duration will be computed as the higher of three-fourths of the individual's weeks of employment in his base period or one-third of his base-period wages, up to a maximum of 26 times his weekly benefit amount. Presently, the maximum duration in New Jersey is computed as three-fourths of the individual's base-period weeks of employment, with a maximum of 26 payments. South Dakota this year amended its benefit schedule, with the result of increasing its maximum duration from 24 to 26 times the weekly benefit amount, and Maine increased its minimum duration from $200 (8⅓–20 weeks) to $300 (12½–30 weeks).

Despite the changes in the State laws over the past 2 years affecting the duration provisions, the number of States which would not meet even such a duration standard as that proposed in the Senate version of H.R. 15119 remains unchanged at 14.

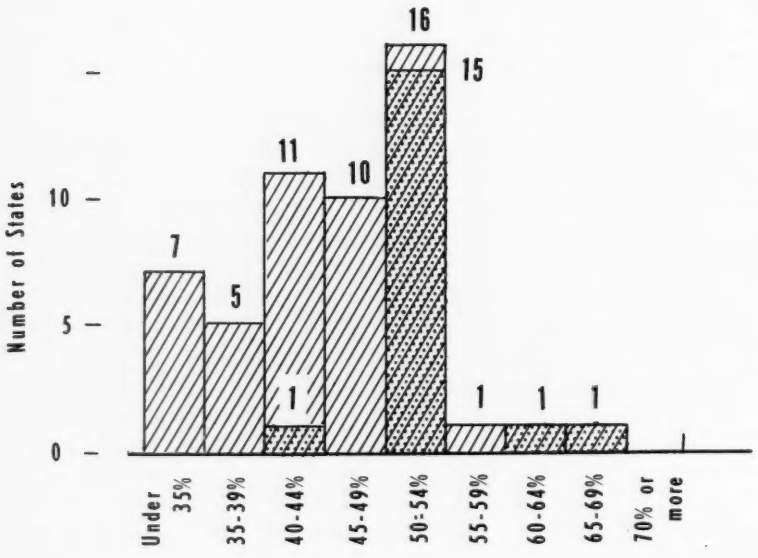
Changes in the benefits areas of the State laws during the period July 1, 1965–June 30, 1967 are summarized in table 2.

Disqualification and Eligibility

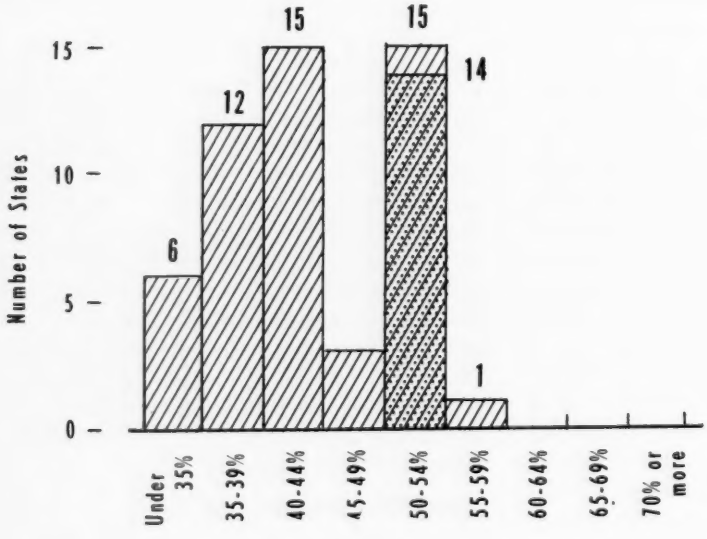
Disqualification provisions.—H.R. 8282 provided that the period of disqualification for all causes except fraud, labor dispute, and conviction of a crime arising in connection with work would be limited to a maximum of 6 weeks' postpone-

Maximum Weekly Benefit Amounts--Ratio to State Average Weekly Covered Wages

July 1, 1965 - July 1, 1967



July 1, 1967



July 1, 1965

▨ States with 'flexible' maximums.

ment of benefits, with no cancellation or reduction of benefit rights. The House and Senate versions of H.R. 15119 placed no limits on the period of disqualification, but both prohibited the cancellation or reduction of benefit rights for any cause other than discharge for misconduct in connection with work, fraud in connection with a claim, or receipt of disqualifying income.

The most significant amendments in the period July 1, 1965–June 30, 1967, affecting the disqualification provisions for which Federal requirements were proposed were enacted this year in Arkansas, Indiana, New Hampshire, and Wyoming. Arkansas amended its disqualification for voluntary leaving from a fixed 8-week postponement of benefits to a disqualification for the duration of the unemployment and until the individual so disqualified has 30 days' subsequent work. Indiana added provisions for the cancellation of benefit wage credits to its present disqualifications for voluntary leaving and discharge for misconduct, which already call for disqualification for the duration of the unemployment and until the individual so disqualified has earned wages in subsequent work equal to 10 times his weekly benefit amount. Indiana also amended its voluntary leaving provision by restricting "good cause" for leaving to that attributable to the employer. New Hampshire changed its disqualification for refusal of suitable work from the duration of unemployment and until the individual so disqualified is employed for 3 weeks with wages of at least $3 more than his weekly benefit amount in each week, to a fixed 3-week postponement of benefits following the week of refusal. Wyoming amended its disqualifications for voluntary leaving and discharge for misconduct, so that the disqualification for the duration of the unemployment and until subsequent qualifying wages are earned, plus forfeiture of all accrued benefits, is now applicable to *any* work left under the disqualifying circumstances, rather than only to the most recent work so left.

In addition, Tennessee and Indiana, which previously had no special pregnancy disqualifications in their statutes, added such disqualifications this year, and Connecticut, New Hampshire, and Oregon amended theirs. Minnesota repealed its provision canceling the wage credit of a female employee who was dismissed under specified circumstances after acquiring marital status.

As stated above, H.R. 8282 as well as both House and Senate versions of H.R. 15119 contained provisions prohibiting the cancellation or reduction of benefit rights in the disqualification area. Measured against the prohibition against such cancellation or reduction in the later bill (H.R. 15119), the number of State laws which would not be in accord with the prohibition has increased by one—that of Indiana—to a total of nine, over the past 2 years.

Benefits during training.—H.R. 8282 and both versions of H.R. 15119 contained similar provisions prohibiting States from denying benefits to a claimant because he is taking agency-approved training whether on grounds of unavailability for work, failure to make an active search for work, or refusal to accept work.

Georgia, New Hampshire, and New Jersey were the only States to enact provisions permitting the payment of benefits to individuals attending approved training programs since mid-1965. Oregon enacted a provision deeming claimants participating in "community work and training programs" not unavailable for work solely because of such participation. The Georgia, New Hampshire, and Oregon provisions, however, contain no prohibition against the denial of benefits if a trainee refuses suitable work. The amendment to the New Jersey law reduced the number of States which would not meet the proposed Federal requirement in this area to 39.

Discrimination against interstate claimants.—The Federal bills, H.R. 8282 and the House and Senate versions of H.R. 15119, each contained a provision that an individual's benefits must not be denied or reduced because he files his claim in, or resides in, another State.

There has been no change in the provisions of the Alaska, Ohio, and Wyoming laws, which place special limitations on the weekly benefit amount payable to interstate claimants, since July 1, 1965. No similarly discriminatory provisions have been enacted into law by any of the other States during the 2 years since that date. A number of States do not accept claims filed in Puerto Rico, primarily because their statutes do not define Puerto Rico as a State and they have not entered into an interstate benefit payment agreement with that Commonwealth. Connecticut was the only State to amend its law to define Puerto Rico as a State during the period specified.

Changes in the disqualification and eligibility provisions of the State laws during the 2-year period ending June 30, 1967, are set forth in table 3.

TABLE 2.—CHANGES ENACTED IN QUALIFYING AND REQUALIFYING REQUIREMENTS, BENEFIT COMPUTATIONS, MAXIMUM WEEKLY BENEFIT AMOUNTS AND BENEFIT DURATIONS JULY 1, 1965–JUNE 30, 1967

State	Qualifying and requalifying requirements		Benefit computation		Maximum weekly benefit amount		Benefit duration	
	From—	To—	From—	To—	From—	To—	From—	To—
Alaska					$45–$70	$55–$80	26 × weekly benefit amount (maximum).	28 × weekly benefit amount (maximum).
Arizona	(No requalifying requirement.)	8 × weekly benefit amount since beginning of prior benefit year.						
Connecticut	Qualifying: $750 base period wages paid in 2 calendar quarters. Requalifying: $150 wages paid since beginning of prior benefit year.	30 × weekly benefit amount paid and earned in 2 calendar quarters.[1] Same, plus reemployment since beginning of prior benefit years.[1]			50–75	60 percent of statewide average weekly wage.[2]	Lesser of 26 × weekly benefit amount and ⅓ of base period wages (maximum).	Lesser of 26 × weekly benefit amount and 75 percent of base period wage (including dependancy allowances) [1]
Delaware	30 × weekly benefit amount in base period wages.	36 × weekly benefit amount in base period wages.			50	$55	Lesser of 26 weeks and 37 percent of base period wages (maximum).	Lesser of 26 weeks and 40 percent of base period wages (maximum).
Florida					33	$40		
Georgia					35	$45		
Idaho	$572 in base period wages.	$547.50 in base period wages.						
Indiana					40–43	$40–$52		
Kentucky					40	46.8 percent of statewide average weekly wage.		
Louisiana					40	$45		
Maine	$600 in wages earned in base period.	$600 in wages paid and earned in base period.[3]	½₂₅ wages earned in high quarter.	½₂₅ wages earned and paid in high quarter.[3]			$200 (8⅓–20 weeks) (minimum).	$300 (12½–30 weeks) (minimum).
Maryland					48	$50		
Minnesota	17 weeks of work and $520 in wages.	18 weeks of work and $520 in wages.			47	$50		
Missouri					45	$53 [4]		
Nebraska					40	$44		
Nevada					41–61	$43–$63		
New Hampshire					49	$54 [5]		
New Jersey	17 weeks of work with at least $15 wages in each week.	Same, with new alternative requirement of $1,350 in base period wages.[6]	59–51 percent of claimant's average weekly wage.	⅔ claimant's average weekly wage up to maximum weekly benefit amount.[6]	50	50 percent of statewide average weekly wage.[6]	¾ weeks of employment up to 26 payments (maximum).	Higher of ¾ weeks of employment or ⅓ base period wages up to 26 x weekly benefit amount (maximum).[6]
Oklahoma	1½ × high quarter wages, but not less than $300 or $3,000 in base period wages.	1½ × high quarter wages but not less than $500 in base period and $250 in high quarter.			32	$38		

Financing

H.R. 8282 provided for an increase in the taxable wage base for Federal contributions from the present $3,000 to $5,600 for 1967 through 1970 and to $6,600 thereafter. The House version of H.R. 15119 would have increased the taxable wage base to $3,900 for 1969 through 1971, and to $4,200 thereafter; the Senate version of the bill would have increased it to $3,900 for 1968 through 1971, and to $4,800 thereafter.

Four States have enacted amendments to their taxable wage base provisions in the 2 years since July 1, 1965, all enacted this year. Effective January 1, 1968, Connecticut will raise its taxable wage base from $3,000 to either $3,600 or $3,900; the alternative base to be determined annually depending on the adjustment of the State's contribution rates during the year. North Dakota will increase its taxable wage base from $3,000 to $3,300 effective January 1, 1968, to $3,400 effective January 1, 1969, and to a flexible amount computed annually as 70 percent of the State average annual wage, effective January 1, 1970, and thereafter. New Jersey and Wyoming will both increase their taxable wage bases from $3,000 to $3,600 effective in 1968 and 1970, respectively.

Including the amendments enacted this year (but not yet effective), 22 States have or will have

TABLE 2.—CHANGES ENACTED IN QUALIFYING AND REQUALIFYING REQUIREMENTS, BENEFIT COMPUTATIONS, MAXIMUM WEEKLY BENEFIT AMOUNTS AND BENEFIT DURATIONS JULY 1, 1965–JUNE 30, 1967—Continued

State	Qualifying and requalifying requirements		Benefit computation		Maximum weekly benefit amount		Benefit duration	
	From—	To—	From—	To—	From—	To—	From—	To—
Oregon					44	$49		
Puerto Rico					20	50 percent of statewide average weekly wage.		
South Dakota					36	$39	24 × weekly benefit amount (maximum).	26 × weekly benefit amount (maximum).
Tennessee	$432 in base-period wages.	$504 in base-period wages.			38	$42		
Texas	$375 in wages with $250 in 1 quarter and $125 in another; or $450 with $50 in each of 3 quarters; or $1,000 in 1 quarter of the base period.	1½ × high quarter wages but not less than $600 in base period wages.[5]			37	$45 [5]		
	(No requalifying requirement.)	$250 in wages subsequent to beginning of prior benefit year.[5]						
West Virginia	(No requalifying requirement.)	8 × weekly benefit amount in wages since beginning of prior benefit year.			35	40 percent of statewide average weekly wage.		
Wyoming	26 weeks of employment with at least 24 hours work and $18 wages in each week, with at least 1½ × high quarter wages in base period and $250 in 1 quarter.	20 weeks of employment with at least 24 hours work in each week, and not less than $800 in base period wages.						
Number of States which do not meet proposed Federal requirements.	Qualifying requirements: (net increase of 2). Requalifying requirements: 20 (decrease of 2).		8 (no change)		32 (net decrease of 2)		14 (no change).	

[1] Effective for benefit years beginning after Sept. 30, 1967. See text with regard to duration.
[2] Effective Oct. 1, 1967. Limited to $60 maximum until Oct. 5, 1968, and to $70 until Oct. 6, 1969; thereafter maximum may not be increased in any year by more than $6.
[3] Effective 91 days after adjournment of 1967 legislature.
[4] Effective Jan. 1, 1968; $57 effective Jan. 1, 1970.
[5] Effective Oct. 1, 1967.
[6] Effective for benefit years beginning on or after Jan. 1, 1968.

taxable wage bases above $3,000. Very few of these States, however, have taxable wage bases approaching the levels proposed for the Federal Unemployment Tax Act in H.R. 8282 and both versions of H.R. 15119. The situation among the States with taxable wage bases above $3,000 is summarized in table 4.

Extended Benefits

H.R. 8282 provided for the establishment of a Federal unemployment adjustment benefits program to provide benefits to unemployed workers with a long work history who exhaust their basic entitlement under a State or Federal program. Benefits would have been payable at all times, regardless of the level of unemployment. The House and Senate versions of H.R. 15119 would have established a Federal-State extended unemployment insurance program, which would have required the States to enact laws providing for payment of extended benefits during periods of high unemployment to workers who exhaust their basic entitlement. The periods during which benefits were to be payable would have been determined under a State trigger for each State and under a national trigger for all States.

No State established a program of extended benefits for the long-term unemployed during the past 2 years, and of the nine States (California, Connecticut, Hawaii, Idaho, Illinois, North Carolina, Pennsylvania, Puerto Rico, and Vermont) which presently have some form of extended bene-

TABLE 3.—CHANGES IN DISQUALIFICATION PROVISIONS AND PROVISIONS AFFECTING PAYMENT OF BENEFITS TO CLAIMANTS IN APPROVED TRAINING AND FILING CLAIMS FROM WITHOUT THE STATE, JULY 1, 1965–JUNE 30, 1967

State	Changes in disqualification provisions		Addition of provisions prohibiting denial of benefits to claimant solely because he is taking approved training	Changes in provisions reducing or denying benefits to interstate claimants
	From—	To—		
Arkansas	Voluntary quit disqualification: 8-week postponement.	Voluntary quit disqualification: Duration of unemployment plus 30 days subsequent work.		NO CHANGES
Connecticut	Pregnancy disqualification: Any week of unemployment due to pregnancy but not less than 2 months before and 2 after childbirth.	Pregnancy disqualification: Same, plus ineligible for remaining period of pregnancy if, left work due to pregnancy, but eligible until 2 months before childbirth if involuntarily separated from work. Applies voluntary quit disqualification if woman separated due to pregnancy under reasonable company rule.		
Georgia			Amendment permitting payment to trainees does not prohibit denial of benefits for refusal of suitable work.	
Indiana	Disqualification for voluntary quit and misconduct discharge: Duration of unemployment plus 10 × weekly benefit amount in subsequent wages. Pregnancy disqualification: No statutory provision.	Disqualification for voluntary quit and misconduct discharge: Same, plus wage credits canceled. Also, good cause for voluntary quit restricted. Pregnancy disqualification: Separation from work due to pregnancy construed the same as a voluntary quit.		
Minnesota	Wage credits canceled if female employee dismissed under company rule after acquiring marital status.	Repealed		
New Hampshire	Disqualification for refusal of suitable work: Duration of unemployment and until employed 3 weeks, with wages equal to the weekly benefit amount plus $3 in each week. Pregnancy disqualification: Disqualified until 3 weeks' work with wages equal to weekly benefit amount plus $3 in each week completed; ineligible 8 weeks before and after childbirth unless wages equal to weekly benefit amount plus $3 earned in 1 week since childbirth.	Disqualification for refusal of suitable work: 3-week postponement. Pregnancy disqualification: Disqualified until 1 week's work with wages equal to weekly benefit amount plus $3 completed; ineligibility unchanged.	Amendment prohibiting denial of benefits to trainees does not prohibit such denial for refusal of suitable work.	
New Jersey			Added by amendment	
Oregon	Pregnancy disqualification applied if claimant pregnant at time of separation.	Pregnancy disqualification now applied only if separation due to pregnancy.	Amendment deeming claimants participating in "community work and training programs" not unavailable for work does not prohibit denial of benefits for refusal of suitable work.	
Tennessee	Pregnancy disqualification: None	Pregnancy disqualification: Ineligible for minimum of 21 days after seeking to return to former employer following pregnancy (if not reemployed in that time). Otherwise considered as disabling cause for leaving work, and not disqualifying.		
Wyoming	Disqualification for voluntary quit and misconduct discharge: Duration of unemployment plus qualifying wages, and all accrued benefits forfeited applied to most recent work left.	Disqualification for voluntary quit and misconduct discharge: Same, except now applied to any work left.		
Number of States which do not meet proposed Federal requirements.	9 (increase of 1)		39 (decrease of 1)	11 (no change).

fits program, only one (Idaho) amended its program significantly during that period.

Idaho this year amended its provision for the payment of extended benefits by establishing a new trigger point at which the insured unemployment rate for the preceding 13-week period is 120 percent of the average rate for the same periods in the 2 preceding years. It now provides for the payment of benefits 3 weeks after the trigger point is reached and ending 3 weeks after the percentage falls below 120 percent. However, benefits are payable for a minimum of 13 weeks. Formerly, the Idaho program was triggered when insured unemployment in the State was over 6 percent and the ratio of benefit exhaustions to first payments in a month was over 10 percent above the average of a comparable period for the 7 preceding years.

None of the extended benefit programs present-

ly provided by the States approach the types of programs proposed in the 1965 and 1966 Federal unemployment insurance proposals.

Conclusion

Over the period July 1, 1965–June 30, 1967, there appear to have been relatively few major changes in those areas of State unemployment insurance laws which do not meet the standards and requirements proposed in H.R. 8282 and the Senate version of H.R. 15119.

H.R. 8282 and the House version of H.R. 15119 both provided for the extension of Federal unemployment tax coverage to employers of one or more workers, although the earlier bill was more inclusive. H.R. 8282 and both versions of H.R. 15119 would also have effected coverage of certain groups of workers now largely excluded, including some workers for nonprofit organizations and (under H.R. 8282) some agricultural workers. Three States enacted legislation extending their size-of-firm coverage during the 2-year period, but no State enacted legislation significantly expanding coverage of groups of workers in employment for nonprofit organizations or agricultural employment, or other largely excluded groups of workers, such as State and local government employees.

The number of States which do not meet the proposed minimum requirement in H.R. 8282 and the Senate version of H.R. 15119 regarding benefit qualifying requirements increased by two to a total of 24, while the number of States without successive benefit-year requalifying requirements meeting any of the provisions in the proposed Federal legislation was reduced by three to a total of 20. Two States enacted legislation relating to the computation of benefits, but there are still eight States which do not meet the proposed standard in H.R. 8282 and the Senate version of H.R.

TABLE 4.—TAXABLE WAGE BASES

States with taxable wage bases above $3,000 (21 States [1])			Proposed Federal unemployment tax act taxable wage base		
State	Taxable wage base	Tax base increased by amendment enacted between July 1, 1965 and June 30, 1967	H.R. 8282/S. 1991 (1965)	H.R. 15119 (1965)	
				House version	Senate version
Alaska	$7,200		Increase from $3,000 to $5,600 for 1967 through 1970; $6,600 thereafter.	Increase from $3,000 to $3,900 for 1969 through 1971; $4,200 thereafter.	Increase from $3,000 to $3,900 for 1968 through 1971; $4,800 thereafter.
Arizona	3,600				
California	[2] 3,800				
Connecticut	[3] 3,600/3,900	X			
Delaware	3,600				
Hawaii	[4] 4,600				
Idaho	3,600				
Massachusetts	3,600				
Michigan	3,600				
Minnesota	4,800				
Nevada	3,800				
New Jersey	[5] 3,600	X			
North Dakota	[6] 3,300	X			
Oregon	3,600				
Pennsylvania	3,600				
Rhode Island	3,600				
Tennessee	3,300				
Utah	4,200				
Vermont	3,600				
West Virginia	3,600				
Wisconsin	3,600				
Wyoming	[7] 3,600	X			

[1] Excluding Puerto Rico, which has a provision for increasing the wage base above $3,000.
[2] Taxable wage base is $3,800 when total revenue equals total disbursements during any 12-month period ending on computation date; $4,100 when total disbursements exceed total revenue.
[3] Effective Jan. 1, 1968, taxable wage base will be either $3,600 or $3,900, the alternative to be determined annually on the basis of the adjustment of the State's contribution rates during the year.
[4] Taxable wage base computed annually at 90 percent of State average annual wage for 12 months ending preceding June 30.
[5] Effective Jan. 1, 1968.
[6] Effective Jan. 1, 1968; increases to $3,400 effective Jan. 1, 1969, and to 70 percent of State average annual wage, computed annually, effective Jan. 1, 1970.
[7] Effective Jan. 1, 1970.

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15119, as there were in mid-1965. Twenty-four States amended their statutes to increase their maximum weekly benefit amounts, but only four of these would meet the requirement in the Senate version of H.R. 15119. Although six States amended their benefit duration provisions over the past 2 years, there are still 14 States which do not meet the duration standard proposed in the Senate version of H.R. 15119.

State legislation over the past 2 years relating to benefit disqualifications resulted in the addition of one State to the eight which previously failed to meet the proposed prohibition against cancellation or reduction of benefits in H.R. 8282 and both versions of H.R. 15119. Four States enacted legislation permitting payment of benefits to individuals taking approved training, but only one prohibited the denial of benefits if a trainee refused suitable work; thus there are still 39 States which do not meet the proposed requirement in this area contained in each of the proposed Federal bills. Each of the proposed Federal bills contained a provision barring denial or reduction of benefits by a State to an individual because he files his claim in, or resides in, another State. None of the three States which impose special limitations on the weekly benefit amount payable to interstate claimants removed these limitations.

H.R. 8282 and the House and Senate versions of H.R. 15119 each provided for increases in the taxable wage base for Federal contributions. Four States increased their taxable wage bases during the 2-year period. One State will go to a flexible tax base, determined as a percentage of the State average annual wage, and one State adopted an alternative tax base provision. Twenty-two States now have, or are scheduled to have, taxable wage bases in excess of $3,000, but very few of these have established bases approaching the levels proposed for the Federal Unemployment Tax Act in any of the Federal bills.

Finally, no State has enacted an extended benefit program in the period since mid-1965, and none of the nine State programs now in existence has been amended to approach the types of programs proposed in H.R. 8282 and H.R. 15119.

Although providing a comparison of State unemployment insurance laws as of July 1, 1965, and July 1, 1967, with respect to the areas of UI legislation considered by the 89th Congress, this article is not designed to draw any conclusions as to the need or desirability of Federal standards or requirements to bring about improvements in the State laws.

Editor's Note: The following article summarizes developments in State UI legislation from January 1, 1967, to August 1, 1967, when only six of the State legislatures were still in session.

Summary of Amendments to State UI Laws—1967

Joseph A. Hickey

OF THE 49 State legislatures in session this year, all but two considered one or more employment security bills. Of the States that considered amending their laws, eight had adjourned by August 1 without enacting any unemployment insurance legislation. A few others adjourned after enacting only minor changes in their laws. As of August 1 (the cutoff date used in preparing this article), only six State legislatures were still in session.

As in other recent years the most prominent characteristics of the legislation adopted were increases in the maximum weekly benefit amount, higher or more difficult qualifying requirements, and increases in the taxable wage base. For employees of small firms, protection of the program was liberalized in three States and restricted in one. There were few significant changes in disqualification provisions.

Coverage

Substantial changes in coverage provisions were enacted in three States: Connecticut reduced the size of firm covered to employers of one or more workers in any 13 weeks during a calendar year; New Jersey extended coverage to firms that have one or more employees and a payroll of $1,000 in any calendar year; and Puerto Rico extended coverage to employers of three or more in 1968, two or more in 1969, and one or more in 1970. In the previous 22 years only four States had extended coverage to employers of one or more; this year's enactments alone almost equaled that total. This will bring to 24 the total of States that provide coverage of employers of one or more.

Idaho, which had covered employers with a payroll of $150 in any quarter, changed this provision and now covers employers whose quarterly payroll is $300.

Nebraska enacted a provision to permit any State administrative department, commission, or board to elect coverage. North Dakota, which already permitted State and local governmental units to elect coverage, amended its provision to allow such units to reimburse the North Dakota fund for any benefits paid to their employees instead of being required to pay contributions on the same basis as other covered employers. Rhode Island extended coverage to its Transit Authority employees by designating them State employees solely for this purpose.

Connecticut extended coverage, also on a reimbursable basis, to any nonprofit organization that pays wages of at least $1,000 in any calendar quarter, but provided that this enactment shall not take effect until certification by the Secretary of Labor that the organization conforms to the requirements of the Federal Unemployment Tax Act. (Similar provisions with respect to nonprofit organizations already on the statute books of California and New York remain inoperative because the Secretary has not found them to be in conformity with the Federal law's requirements.)

Other amendments took the form of excluding from coverage services performed by real estate agents on a commission basis (Maine and Wyoming), securities salesmen on a commission basis

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(Arizona), and services in connection with small vessels (Hawaii and Michigan).

Benefits

Approximately one-third of the States amended their benefit provisions in one or more ways. Most of the amendments increased benefits, at least for some claimants. Changes in the qualifying requirement in a few States, however, may result in exclusion of claimants who would have been eligible under the former provisions. The principal amendments to the benefit provisions are shown in the accompanying table.

Maximum weekly benefit amount.—Increases in the basic maximum weekly benefit amount, ranging from $2 to $12, were enacted in 19 States. (In addition, as of the beginning of August, legislation awaited the Governor's signature in Massachusetts to increase the maximum weekly benefit from $50 to $54, effective November 12, 1967, and to $57, effective October 13, 1968.) Of these 19 States, New Jersey, Puerto Rico, and West Virginia provided for automatic adjustment of the maximum weekly benefit by setting it as a percentage of the average weekly wage in covered employment in the State; and in Connecticut, to the average weekly wage of the State's production and related workers (see table opposite for details). The operation of "flexible maximums," adopted in previous years, resulted in increasing the maximum weekly benefit amount by $4 in Hawaii; $3 in Iowa, Rhode Island, Vermont, and Wisconsin; $2 in Arkansas, the District of Columbia, Kansas, Kentucky, Maine, and South Carolina; and $1 in Colorado, Idaho, North Dakota, Utah, and Wyoming. The increase in Wyoming returned that State to the maximum benefit level it had achieved prior to the 1963 amendments; in that year the Wyoming legislature reduced the percent of average wages used in computing the maximum weekly benefit amount from $55 to $50.

Basic maximum weekly benefit amounts as of August 1, 1967, range from a low of $30 in Mississippi to a high of $66 in Hawaii. Twenty States, with 44.1 percent of the employment covered under the State unemployment insurance laws, have a basic maximum weekly benefit amount of $50 or more. Nine of these, with 30.6 percent of the covered workers, have maximums of $55 or more. Only three States have a maximum below $35.

Minimum weekly benefit amount.—Fewer States increased their minimum weekly benefit in 1967 than in any of the four preceding odd-numbered years. Of the four States enacting such legislation, Connecticut and Texas increased their minimum benefit rates by $5 and Massachusetts and Tennessee by $2.

Dependents' allowances.—Indiana established a maximum weekly benefit amount varying from $40 for claimants with no dependents to $52 for claimants with four dependents, in $3 increments, provided a claimant's high-quarter wages are sufficient to qualify him for these amounts. Indiana added a definition of "dependent" to include not only a claimant's spouse but also his children under the age of 18. Connecticut, which previously considered children under 17 as dependents, now considers a child a dependent if he is under 18. Of the 11 States with dependents' allowances, all now consider a child as a dependent and nine States will pay an allowance to an eligible claimant until the child is 18 years old. Connecticut also provided for the payment of a dependent's allowance to a claimant's nonworking spouse living in the same household as the claimant.

Qualifying requirements.—Massachusetts, Minnesota, Oklahoma, Tennessee, and Texas amended their laws to require more in wages earned or weeks worked in order to qualify for benefits. Connecticut and Idaho lowered their qualifying wage requirements, and Wyoming decreased the number of weeks of work needed to qualify from 26 to 20 but increased the amount of wages. New Jersey added an alternative qualifying requirement of $1,350 in the base period, and Texas repealed both alternative qualifying requirements while amending its basic qualifying requirement.

Texas and West Virginia added provisions to prevent benefit entitlement in 2 successive benefit years following a single separation from work. Texas now requires a claimant to earn $250 subsequent to the beginning of the prior benefit year in order to establish a new benefit year. The West Virginia requirement is in terms of eight times the claimant's weekly benefit amount in covered employment. Connecticut, which has a provision similar to that adopted in Texas and West Virginia, has now provided that this additional requirement will be suspended during periods of substantial unemployment.

Duration.—As has been true in the past few years, there was little interest in increasing maximum potential duration of benefits. South Dakota increased maximum benefit entitlement from 24 to

CHANGES ENACTED IN 1967 IN MAXIMUM AND MINIMUM WEEKLY BENEFIT AMOUNTS, QUALIFYING REQUIREMENTS, AND DURATION OF BENEFITS (AS OF AUG. 1, 1967)

State	Weekly benefit amount [1]				Qualifying requirements		Duration of benefits	
	Maximum		Minimum					
	From—	To—	From—	To—	From—	To—	From—	To—
Alabama	$38	[2] $42						
Connecticut	50–75	[2] 60	$10–$15	$15–$22	$750 and wages in 2 quarters.	30 × weekly benefit amount.	Lesser of 26 weeks or ⅓ base-period wages.	Lesser of 26 weeks or an amount including dependents' allowances not in excess of ¾ base-period wages.
Florida	33	40						
Indiana	40–43	40–52						
Maine							Lesser of 26 weeks or ⅓ base-period wages.	Lesser of 26 weeks or ⅓ base-period wages, but not less than $300.
Massachusetts	50	[2] 54			$700	[2] $800		
Michigan	43–72	46–76						
Minnesota	47	50			17 weeks and $520 in base period.	18 weeks and $520 in base period.		
Missouri	45	[2] 53						
Nebraska	40	44						
Nevada	41–61	43–63						
New Hampshire	49	54						
New Jersey	50	[3] 50			17 weeks of employment at $15 or more.	17 weeks of employment at $15 or more or $1,350 in base period.	Lesser of 26 weeks or ¾ weeks of employment.	Lesser of 26 × weekly benefit amount or higher of (1) ¾ weeks of employment or (2) ⅓ of base-period wages.
New Mexico	36	40						
Oklahoma	32	38			1½ × high-quarter wages, but not less than $300; or $3,000 in base period.	1½ × high-quarter wages but not less than $500 in base period; or $3,000 in base period.		
Oregon	44	49						
Puerto Rico	20	[3] 50						
South Dakota	36	39					24 × weekly benefit amount.	26 × weekly benefit amount.
Tennessee	38	42	12	14				
Texas	37	45	10	15	$375 with $250 in 1 quarter and $125 in another; or $450 with $50 in each of 3 quarters; or $1,000 in 1 quarter.	1½ × high-quarter wages but not less than $500.		
West Virginia	35	[3] 40						
Wyoming					26 weeks of employment with 24 hours and $18 in each week plus 1½ × high-quarter wages; with $250 in 1 quarter.	20 weeks of employment with 20 hours in each week but not less than $800.		

[1] When 2 amounts are given, higher includes dependents' allowances.
[2] Amounts shown do not include the 2d step of a 2-stage increase to become effective Jan. 1, 1968. As a result of these future changes, the maximum WBA will be increased in 1968 to $44 in Alabama and $57 in Massachusetts, and in 1970 to $57 in Missouri. Qualifying requirement in Massachusetts will be increased to $900 in 1968.
[3] Percent of average weekly wage in covered employment in the preceding calendar year (New Jersey, Puerto Rico, and West Virginia). Percent of average weekly wage of production and related workers in 12 months ending June 30, but not more than $60 prior to Oct. 5, 1968, and $70 prior to Oct. 5, 1969; any subsequent annual increases in maximum WBA not to exceed $6 (Connecticut).

26 times the claimant's weekly benefit rate. Connecticut increased from one-third to three-fourths the percentage of total earnings, up to 26 times his weekly benefit amount, that will be payable to an individual in his benefit year. Unlike the former provision, the new fraction includes dependents' allowances. Maine increased maximum duration for claimants in the lowest two wage brackets. The change in Maine resulted from enactment of a provision giving all eligible claimants minimum potential benefits of $300.

New Jersey amended its law by providing for maximum duration of 26 times the claimant's weekly benefit amount. Previously, a claimant in New Jersey exhausted his benefit rights upon receipt of 26 payments, even though some were only for partial unemployment. As a result of the amendments this year, 50 States with 98.2 percent of covered workers, now provide a maximum potential duration of 26 weeks or more.

Idaho amended its provision for payment of extended benefits by establishing a new trigger point at which the insured unemployment rate for the preceding 13-week period equals or exceeds 120 percent of the average rate for the same periods in each of the 2 preceding years. Formerly, the program was triggered when the insured unemployment rate in Idaho was over 6 percent and the ratio of exhaustions to first payments in a month was more than 10 percent above the average exhaustion rate of a comparable period for each of the 7 preceding years. The new enactment provides for

the payment of benefits beginning 3 weeks after the trigger point is reached and ending 3 weeks after the percentage falls below 120 percent.

Base period and benefit year.—Three States amended their definition of base period. Idaho changed its base period from a uniform calendar year to the first four of the last five completed calendar quarters. Minnesota and Wyoming, which had defined the base period as the first four of the last five completed calendar quarters, also amended their laws—Minnesota, by adopting a period consisting of the 52 weeks immediately preceding the individual's benefit year; and Wyoming, by establishing a period of the last four completed calendar quarters immediately preceding the benefit year. Thus, each of the three enactments reduced the State's lag between the end of the base period and the beginning of the benefit year.

Wyoming also enacted a provision for freezing a claimant's benefit rights for any continuous period, up to 36 months, during which he is receiving temporary total disability benefits under workmen's compensation, provided he files his claim within 4 weeks after termination of the illness or injury.

Two of the States that amended their base-period provisions also changed their definitions of benefit year. Idaho changed from a uniform benefit year to an individual 52-week period beginning the first day of the week in which a valid claim is filed. Minnesota changed from a 1-year period to 52 calendar weeks.

Other benefit amendments.—New Jersey, which previously used a weighted schedule in computing benefits, now uses a uniform two-thirds fraction at all levels below the maximum. Three States amended their provisions for computing the weekly benefit amount for partial unemployment—Connecticut, by subtracting two-thirds of the claimant's earnings from his benefit amount for total unemployment; Indiana, by disregarding the greater of $3 or 20 percent of the claimant's weekly benefit amount; and New Hampshire, by reducing the weekly benefit amount by all earnings in excess of 20 percent of that amount. Connecticut became the fourth State to abolish the waiting period. Michigan deleted its provision for compensating for the waiting week if the individual was laid off indefinitely or for more than 4 weeks and, within 13 weeks, became reemployed with another employer. Instead it now provides an additional weekly benefit amount for the last compensable week of unemployment if the individual has been laid off for at least 3 weeks and becomes reemployed within 13 weeks after the layoff week. Puerto Rico, which maintains a separate benefit schedule for agricultural workers, increased the minimum paid to such workers from $6 to $7 and the maximum from $15 to $20.

Eligibility and Disqualification Provisions

Maine and New Hampshire enacted provisions governing a claimant's availability for work while enrolled in a vocational training course. Maine exempted from disqualification an individual who refuses suitable work, if such refusal results from the claimant's desire to complete a course approved for him by the commission. New Hampshire amended its availability-for-work provision to permit payment of benefits to claimants selected by the agency and enrolled in a vocational training program under the auspices of the State department of education, provided they are not entitled to any payment supplemental to unemployment benefits. This brings to 26 the number of States with such statutory requirements. Oregon provided that claimants participating in community work and training programs shall not be deemed unavailable for work solely because of their participation in the program.

Major disqualifications.—Six States made changes in one or more of the three major causes for disqualification—voluntary leaving, discharge for misconduct, and refusal of suitable work without good cause. Arkansas changed the disqualification for voluntary leaving from 8 weeks of unemployment to the duration of the unemployment and until the claimant has been reemployed for at least 30 days. Connecticut exempted from disqualification an individual who quit his part-time work to take a full-time job but enacted a provision denying benefits to an individual who voluntarily retires from his employment until he is again employed and has been paid sufficient wages since his retirement to meet the qualifying requirement (30 times his weekly benefit rate). Although an involuntary retiree will not be held ineligible as a result of this enactment, his weekly benefit amount will be reduced by the amount of retirement pay. Connecticut also amended its definition of suitable work by spelling out two additional factors to be considered in determining whether

work is suitable—the claimant's skill and his previous wage level.

Indiana now provides that a disqualification for voluntary leaving or discharge for misconduct shall result in the cancellation of benefit wage credits except to establish eligibility for benefits. In addition, Indiana restricted good cause for voluntary leaving to that attributable to the employment, but permitted exceptions for separations resulting from the claimant's illness or for the purpose of accepting a better job. New Hampshire amended its disqualification for refusal of suitable work by specifying the travel distance involved in order for work to be deemed suitable. New Hampshire also changed the period of disqualification to 3 weeks immediately following the week in which the refusal occurred. New Jersey enacted a provision specifying that a disqualification will not be applicable if a discharge for misconduct is rescinded by the employer. However, if the individual is restored to his employment with back pay, he must return any benefits he received. Wyoming deleted the provision which limited the disqualifications for voluntary leaving and discharge for misconduct to the most recent work separations before claim filing.

Pregnancy and marital obligations.—Five States amended their laws with respect to separations from work resulting from pregnancy, and Minnesota deleted its provision for canceling wage credits of a female employee separated from employment as a result of her marriage, in accordance with a company rule.

Connecticut provided that a woman who leaves her work because of pregnancy, or who is separated from her employment in accordance with a reasonable company rule, will be ineligible for benefits during the remaining period of her pregnancy; however, if her separation was involuntary, she will continue to be eligible for benefits until 2 months before childbirth. The Connecticut law also now specifies that no woman will be eligible for benefits after childbirth until she applies for reemployment in the same job or other suitable work that may be offered to her by her most recent employer. Indiana now considers a separation from work due to pregnancy as disqualifying under the voluntary-leaving provision. New Hampshire decreased its disqualification from 3 weeks to 1 week of work with earnings of at least $3 more than her weekly benefit amount, while deleting the alternative previously provided for terminating a disqualification for pregnancy 8 weeks after childbirth if the claimant lacked the necessary 3 weeks of work following childbirth. The Oregon law was changed to specify that no woman shall be disqualified unless her separation from work was caused by pregnancy. Tennessee now provides that a woman who is forced to leave work because of pregnancy shall be ineligible for benefits for 21 days from the date she returns to her former employer to perform her usual work and provides evidence that she has returned as soon as she is able.

Labor dispute.—Connecticut changed its provision for denying benefits to individuals unemployed because of a labor dispute by limiting the disqualification to disputes taking place at the establishment where the individual is or was last employed, as contrasted to any establishment operated by the employer in Connecticut. It also expanded its definition of a lockout, by deleting the requirement that a dispute would not be considered a lockout if it resulted from the demands of the employees. New Jersey excluded lockouts from its labor dispute disqualification and, in other labor disputes, limited the disqualification to 42 days plus the waiting period. Benefits paid after the termination of the disqualification are to be financed from the workers' unemployment insurance contributions and are payable only if the workers or their representatives have not refused to arbitrate, have not refused services of a mediation agency, and are bargaining, or prepared to bargain, in good faith. Thus New Jersey becomes the third State (the other two are New York and Rhode Island) to provide for a specific period of disqualification for unemployment caused by a labor dispute. The West Virginia law now provides for a presumption that a stoppage of work that continues longer than 4 weeks after the termination of a labor dispute is not caused by the dispute, unless the employer or other interested party can show otherwise.

Deductible income.—Although no additional States added a provision for reducing the weekly benefit amount for receipt of pension payments, seven States modified existing provisions. Connecticut, which already had a provision for reducing benefits by the amount of retirement pay received, limited its deduction to involuntary retirees, while adding a new disqualification for voluntary retirees. (See discussion above under major disqualifications.) Maine excluded pension pay-

ments from disqualifying income when the wages used for qualifying for benefits are from employment other than those from which the claimant is retired. Maryland provided that the weekly benefit amount shall be reduced only if the pension is provided by a base-period employer. Idaho, Missouri, Nebraska, and South Dakota enacted provisions exempting from disqualifying income retirement payments for service in the Armed Forces, and Maryland enacted a provision prohibiting reduction of benefits payable to an ex-serviceman's surviving spouse if she remains unmarried.

Other disqualifications.—New Jersey deleted the 2-week disqualification following termination of any maritime service performed under shipping articles. Colorado provided for the repayment of all benefits erroneously received or, if collection efforts fail, provided that the sum be deducted from future benefits. Previously, benefits erroneously received could be recouped only through deduction from future benefits and fraudulently received benefits could either be repaid or offset against future benefits. Indiana provided that persons found guilty of fraudulent misrepresentation shall be punished by a fine of not less than $20 or more than $500 (formerly $100), or by imprisonment for not more than 6 months (formerly 60 days), or both.

Financing

Ten States enacted significant changes in their financing provisions. Connecticut, New Jersey, and Wyoming increased their taxable wage base from $3,000 to $3,600. The Connecticut change also provided for an additional increase to $3,900 if the ratio of fund balance to the 3-year payroll is 3.5 percent or more. North Dakota increased its wage base from $3,000 to $3,300 in 1968, $3,400 in 1969, and thereafter 70 percent of the State average annual wage. The maximum tax rate was increased from 3.0 to 3.2 percent in Indiana, and from 2.7 to 3.3 percent in West Virginia. The maximum rate was decreased in Vermont from 4.5 to 4.4 percent; and in Wyoming, from 3.2 to 2.7 percent. However, in the latter State adjustments to the maximum rate, for noncharged or ineffectively charged benefits or for a low reserve fund, could result in an increase that equals or exceeds the old maximum. Oregon reduced its minimum tax rate from 1.2 to 0.8 percent.

Texas changed its experience-rating formula from benefit wage ratio to benefit ratio and provided for the assignment of tax rates on the basis of the employer's benefit ratio and a State replenishment ratio. Oregon doubled the number of tax schedules and provided for triggering in these schedules at specified fund adequacy percentage ratios instead of fund reserve ratios.

West Virginia raised the fund balance requirement that triggers suspension of reduced rates to $50 million, and continues this suspension until the fund balance reaches $55 million. Previously, reduced rates were suspended when the fund balance reached $40 million and restored when the fund balance increased to $45 million.

Other changes included a change in the computation date in Idaho; revision of the noncharging provisions in Minnesota, New Hampshire, and Oregon; and provisions for signaling the application of new rate schedules in Indiana, Minnesota, Missouri, Oregon, Vermont, West Virginia, and Wyoming.

Other amendments.—New Hampshire established the positions of claim representative and assistant claim representatives to advise claimants with respect to presentation of their case for redetermination or presentation before the appeal tribunal. Maine, Minnesota, Oregon, Texas, Vermont, and Wyoming either added or amended existing penalties on employers who fail to file wage or contribution reports. Vermont increased the interest rate on delinquent contributions. Wyoming deleted the requirement that all first notices of claims to employers be made either by personal service or by registered or certified mail. Hawaii and Vermont enacted provisions to enforce liabilities for contributions, penalties, and interest on behalf of other States which extend a like comity to them. Connecticut, Massachusetts, and New York appropriated funds for study of their unemployment insurance laws.

During the past year the Bureau of Employment Security has sponsored outservice training programs for the unemployment insurance personnel of the State employment security agencies. These seminars are being held with the cooperation of several universities throughout the country. Reports on the seminars conducted at Temple University, Philadelphia, Pa., have appeared in the March 1967 and April–May 1967 issues of the UI Review. The first of the following two articles presents a description of the facilities provided, the content of the courses, and background of the teaching staff at the series of seminars held at the University of Colorado. The second article is an evaluation of the courses in the seminar for UI tax auditors by a participant from one of the State agencies.

University of Colorado UI Seminars

William D. Boub

THE ROCKY MOUNTAINS formed the backdrop for a series of 10 seminars for claims examiners and tax auditors from the State employment security agencies held in Colorado this summer. The seminars were funded by the Bureau of Employment Security, while all educational and administrative commitments were made by the Bureau of Continuation Education of the University of Colorado's Extension Division.

The seminars were planned so that enrollment was limited to 35 persons in each 1-week program. A total of 175 claims examiners attended seminars which began on May 29 and ended the last week of June. The first two sessions were held at the YMCA of the Rockies in Estes Park, Colo. The remaining three meetings took place on the Boulder campus of the University of Colorado. All of the five tax auditor seminars were held on the Boulder campus, and they attracted 175 tax auditors from the western half of the Nation.

Boulder, a city with a population of approximately 50,000, is situated at the foot of the eastern slope of the Rocky Mountains. The city is 25 miles northwest of Denver, 34 miles from Rocky Mountain National Park, and less than an hour's drive from some of the most spectacular scenery in the United States. The university is the hub of Boulder and the center of a scientific-technical complex which includes the National Bureau of Standards, the National Center for Atmospheric Research, and the Joint Institute for Laboratory Astrophysics. It is also a center of the arts in the West, with outstanding programs in art, drama, music, and literature. The majority of the instructors for the 10 seminars held this summer were from the university's School of Business, whose faculty members act as consultants and advisers to a wide variety of private businesses and government agencies throughout the Nation.

All conferees were housed in the university's modern Kittredge Residence Halls, which feature four well-appointed dormitories and a central Commons Building for dining and recreation on a beautifully landscaped site. The Kittredge facilities are spacious and comfortable with a study area and lounges in each dormitory.

The claims examiners' classes were conducted in the conference area of the University Memorial Center, the student union, while the tax auditors met in the new Engineering Center, a building which has won several major architectural awards.

Mr. Boub is Extension Division representative at the Denver Center, University of Colorado, and president of the National Council for Small Business Development.

Kittredge Residence Halls, Boulder campus, University of Colorado.

The courses in the seminars were designed to be of maximum value to participants in their work. With particular regard to the claims examiners, the courses and instructors were selected so that the conferees might learn to develop insight into the psychology of individuals and groups for better interviewing and better public relations; to relate the psychology of communication and stress situations to interviewing; to develop ease and clarity in writing complete, concise reports; to receive updated information on industrial and labor practices as those practices relate to unemployment insurance programs; and to be familiar with administrative law as it relates to the agency and to the duties of examiners.

The claims examiners attending the seminars received 12 hours of instruction in person-to-person communication by Dr. Thorrel B. Fest, professor and chairman of the Department of Speech and Drama at the University of Colorado. Dr. Fest has taught adult courses in communication, discussion, and speech for more than 20 years and has been a communications consultant with the North American Air Defense Command headquarters staff in Colorado Springs, the Federal Mediation and Conciliation Service, and many other organizations. He designed his course for the claims examiners to cover the psychology of oral communication, interviewing techniques, communication in stress situations, and the dynamics of persuasion to minimize hostility.

Participants also received 8 hours of classwork in understanding human behavior, taught by Dr. Eugene J. Koprowski and Dr. Ronal Poland of Denver. Dr. Koprowski, assistant professor of production and manpower at the University of Colorado School of Business, served as manager of personnel and labor relations for the National Farmers Union (1954–64) and was director of manpower planning and development for the Kaiser Aluminum & Chemical Corp. He is a management consultant and has published several articles on personnel management and human relations. Dr. Ronal Poland is an independent

psychological consultant to industry in Denver and is a former member of the faculty of the University of Denver. Both professors gave the group a background in basic psychology, perception, and social psychology. To help them on the job, the claims examiners were given information on understanding individual personalities and emotions, on being sensitive to the reactions of others and guarding against one's own bias, and on group attitudes and group behavior.

Six hours of the busy week were devoted to instruction in interviewing skill, taught by Dr. Lawrence Steinmetz, associate professor of management at the university's School of Business. Dr. Steinmetz has published many articles in business journals and has taught at a number of institutes and conferences. He organized the interviewing skills course as a laboratory course, and participants tape recorded their interviews to gain insights into their personal interviewing techniques.

Techniques of report writing were taught by Dr. Dorothy Sandham, assistant professor of office management at the University of Colorado School of Business. Mrs. Sandham teaches business communication and report writing at the university and serves as a marketing and management consultant to several Denver firms. This course, which occupied 6 hours of the week, emphasized clarity and organization of material. Conferees were able to participate extensively in class, contrasting their writing at the beginning of the course with the more polished reports they produced at the end of the week.

In addition, the claims examiners received supplementary instruction in administrative law from David Engdahl, assistant professor of law at the university. Mr. Engdahl has published many articles, principally in the field of intergovernmental relations. The administrative law course was designed to outline the responsibilities under which unemployment insurance programs operate.

There were also 3 hours of instruction in "Industry and Labor Today," in which Dr. Alex Simon reviewed industrial relations problems and labor union programs and practices, as well as applicable laws and unemployment insurance programs. Dr. Simon, associate professor of management and assistant dean of the Denver Center of the University of Colorado School of Business, is a member of several professional societies and was appointed to a 2-year term on the Governor's Committee on Employment of the Handicapped by John A. Love, Governor of Colorado.

As might be expected, the seminars for the tax auditors concentrated rather heavily on auditing. Nine hours were spent on auditing principles, with Dr. Virginia Bean, assistant professor of accounting at the University of Colorado School of Business. Mrs. Bean, who has also taught at Washington University and the Universities of Denver and Texas, serves as a consultant for the National Aeronautics and Space Administration. Her course included instruction in basic recordkeeping systems, procedures for auditing payrolls and finding unreported compensation, record examination, and techniques of working-paper preparation.

To enable tax auditors to keep abreast of modern technology, 12 hours were spent in a course on auditing by electronic data processing systems. Primary consideration was given to adaptation of auditing techniques to use with the most common EDP systems. John A. Tracy, associate professor

Claims examiners exchanging views between sessions outside University Memorial Center, University of Colorado.

and head of the Accounting Department at the School of Business and a registered certified public accountant, was the instructor. Administrative law for this series of seminars was presented by Albert R. Menard, Jr., professor of law and legal consultant to the Colorado Legislative Council. And the author of this article taught report writing to the tax auditors.

Both the claims examiners' and the tax auditors' seminars began with a Sunday evening get-acquainted dinner. Both also included two evening sessions during the week at which outstanding speakers in the university community lectured on various liberal arts topics of current interest.

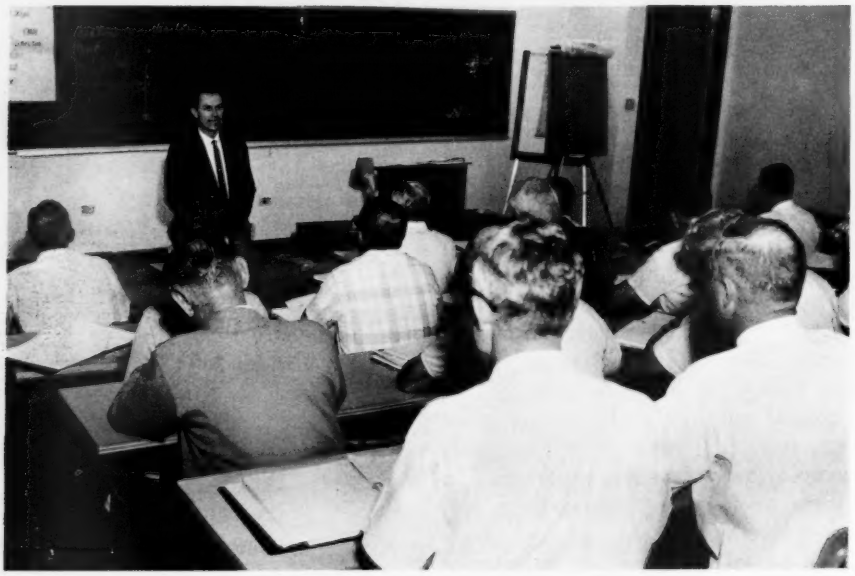
A variety of audio-visual teaching aids were used in presenting the seminar courses, and also instructors had prepared in advance written material to supplement the lectures.

The seminars were adjudged a success by the participants and the Bureau of Employment Security observers. In evaluating the conferences, attendees repeatedly remarked on the quality of the instruction, the value of the job-related curriculum, and the atmosphere and geographic setting of the seminars, while the university personnel involved thought that the caliber of the conferees chosen, the interest they showed in the programs, and the contributions they made were equally important.

The most frequent criticism made by the conferees was that 1 week was too short for such an intensive seminar. Many also thought that more time should have been allowed for informal "bull sessions" in the evenings, where participants could swap ideas about what they had learned in the class sessions. The university people also thought that this would be an improvement, and they intend to apply this suggestion to future programs.

Many participants felt it would be desirable also to schedule one evening session during the latter part of the seminar at which all instructors could be available for small discussion groups. Several conferees suggested that course materials should be sent to those staff members scheduled for training before attending the seminar to familiarize them with the scope of the courses. Others suggested a followup course for the same people next summer.

The university representatives thought that these seminars were among the most outstanding programs of the summer. From their comments and their evaluations, it is also believed that the participants found them valuable.



William D. Boub conducting session on report writing for tax auditors.

Tax Auditor's Impressions of the Seminar

William J. Laasch

DURING this past June I was fortunate to have the opportunity to attend a tax auditors' seminar at the University of Colorado. There were 34 participants in our group, representing 25 State agencies.

Being the only participant from Arizona, and never having attended a seminar of this type, I had looked forward to this meeting with a great deal of anticipation as well as a certain amount of the apprehension one has toward attending a training gathering outside one's home State.

Upon our arrival in Boulder on Sunday afternoon, we were greeted cordially by the university staff and assigned quarters in the Kittredge Residence Halls, a beautifully landscaped and well-coordinated group of buildings. All our meals were served cafeteria style in the main Kittredge Commons Building.

The first official gathering was a buffet supper on Sunday evening in the University Memorial Center, followed by an orientation discussion pertaining to the coming week's activities.

All of our lectures were held in the huge Engineering Building less than half a mile from Kittredge Residence Halls. This building contains 31 classrooms, 250 laboratories, and 247 faculty and administrative offices. Classes started each day at 8 a.m. and concluded at 5 p.m. There were two evening lectures, one on Tuesday and a "change of pace" lecture on Thursday.

In reviewing the week's activities, I am amazed at the great amount of pertinent data we received during those few days. A good deal of credit should be given to the staff of the university for their efforts in coordinating the preparation of the individual courses.

Most of the professors and lecturers had researched the "tax auditor" position and presented their lectures with enthusiasm, placing particular emphasis on the functions we perform each day in our jobs. This research increased the value of their lectures and made them very interesting.

Dr. Virginia Bean, a certified public accountant and an assistant professor, opened the seminar on Monday morning with the first of her seven lectures on auditing principles. Professor Bean discussed the historic phases in audit work, showing the gradual development of objectives, extent of verifications, and the importance of good internal controls. The CPA's audit standards, conduct of fieldwork, and reporting standards were outlined, as well as the trends in auditing principles. Comparisons were made as to how these could be used in our audit work. The degree of internal control within a business was cited as a very important audit tool. The use of "sampling" in making professional audits was thoroughly reviewed, and approved methods of accomplishing this were explained and diagramed. Dr. Bean presented a concise review of the principles of good audit procedure. I was sorry that time did not permit discussing the case examples in more detail.

Report writing was presented in two interesting lectures by William D. Boub, M.A., experienced in the field of communication and report writing. Mr. Boub reviewed the types of writing we do in our everyday work and made many worthwhile suggestions to eliminate unnecessary wordage. Common faults in report writing were detailed and illustrations were given to improve our factual presentations. Mr. Boub urged us to gage our material to the level of the reader's knowledge and information of a subject whenever possible, to be concise, to be specific, and to keep sentences short. He pointed out that the proper sequence of marshaling the facts, schemes of organization, and proper paragraphing were necessary for the writer to arrive at the proper persuasion formula

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Tax auditors attending session on auditing principles.

of words for the reader's benefit. Improvement in this area will help convey the best possible meaning to our reports. Mr. Boub distributed a large quantity of handout material, indicative of the time he spent in preparation for these lectures. I have since referred to this material on several occasions.

The four lectures on person-to-person communications were adequately and interestingly presented by Dr. Eugene J. Koprowski, an assistant professor who earned his degrees in the field of psychology. He explained that various studies show that a large part of our waking day is consumed by communications of one form or another: 9 percent in writing, 16 percent in reading, 30 percent in talking, and 45 percent in listening. He compared our everyday communication to that of a transmitter and a receiver, with the "breakdown areas" as follows: Failure to see the other person's point of view; stereotyping our delivery of ideas; failure to listen to others; failure to use nonverbal communication (silence); and failure to control emotions, especially anger. Dr. Koprowski reminded us our biggest goal in everyday life is to see that our words and actions convey the proper meanings to those with whom we work. Some case histories were presented and reviewed. These lectures were of particular interest to me, and favorable remarks were heard from others in attendance.

The subject of auditing electronic data processing (EDP) was very well covered by Dr. John A. Tracy, associate professor and head of the accounting department at the university. His four lectures were enthusiastically presented and all of us, I am sure, were brought to the realization that we must progress with EDP. Professor Tracy urged again and again that each of us begin to learn the basic steps in writing a computer program, and he encouraged each of us to enroll in a

college near our homes for a course of this kind. These remarks were very timely, in my opinion, since every day more and more businesses, both large and small, are converting payrolls to a computer program. The lack of an audit trail is already well known, and it is essential for each of us in the audit program to learn as much as possible in this field to maintain our auditing efficiency.

Dr. Tracy predicted that within the next decade auditors may become obsolete unless they progress and keep up with the rapid changes being made with EDP. He reviewed the several computer languages being used today, such as FORTRAN (Formula Translating System), COBOL (Common Business Oriented Language), and PL/1 (Programming Language 1). He felt a common computer language will become a necessity within the next few years, thus enabling all programmers, and others affiliated with EDP, to use the same computer language. Dr. Tracy was thorough and able in his explanations of the technical operations of the computer, illustrating the EDP steps of procedure on the blackboard. He explained the binary code and the tiny magnetic cores that are the heart of the computer's memory, explained the limitations of the computer's memory, and reviewed an actual program he had written for our seminar. I, along with others in the group, would have appreciated more time with this subject and would have liked to devote some time to actually writing a very short program, using computer language. Several of the auditors were very high in their praise of Dr. Tracy's knowledge and presentations.

Lawrence L. Steinmetz, associate professor of management, conducted two lectures on interviewing in a very interesting manner. He discussed some of the auditor's interviewing problems and suggested methods to improve our techniques in this area. Among the several common mistakes during interviewing that he drew to our attention was one we are all guilty of from time to time—overtalking. Some recent studies have shown that interviewers have talked over 75 percent of the time spent on their interviews. Being a good listener would reduce this percentage to 50 percent or less. Part of being a listener is to be genuinely interested in the other person's conversation. Dr. Steinmetz advised us not to fake our attention but to look, watch, and listen, and we will find our interviews will show marked improvement.

He urged everyone to attempt to become a "situation manager"; that is, to be in charge of the situation at all times. However, each individual must be treated a little differently. Hence, no set pattern can or should be established. We must learn to vary our approach to each of our changing situations. Many times a good opening remark will focus the attention of the interviewee upon you, thus enabling you to come straight to the point of your conversation. Being a good sounding board is a part of our job. However, we should never become entangled in controversial matters that do not pertain to unemployment insurance. Strict adherence to the laws, rules, and regulations of our respective States is absolutely necessary in dealing with employers, accountants, and fellow workers. Professor Steinmetz suggested we should be realistic in setting our goals and should always have an eye on the end results.

A single lecture on administrative law was presented by David Engdahl, assistant professor of law. He reviewed the effects of administrative laws, with respect to the average person, and commented that we are more affected by these laws today than we were 25 or 30 years ago. Administrative law deals with the transmission of authority to administrative agencies, the procedures by which they exercise such authority, and the controls over such exercise, particularly through judicial review. A Federal administrative agency was defined as a governmental authority other than Congress or the courts. The context makes plain that, by and large, concern of administrative law is with agencies that exercise powers to make rules, or to enter orders as a result of adjudication, including licensing, or to do both. Mr. Engdahl explained that some forms of administrative law are as old as the Nation, having been established by the first Congress. An additional lecture on administrative law could have been used to good advantage.

A "change of pace" lecture was given on Thursday evening by Dr. Coolidge, former dean of the School of Business of the University of Colorado. This lecture was given to the combined group of claims examiners and tax auditors. His lecture reviewed the economic growth of the United States from the Revolutionary War to the present time. Dr. Coolidge also discussed the powers of Government granted by the Constitution of the United States, and intertwined both subjects in an interesting and absorbing manner.

One of the other benefits gained from this sem-

inar was the opportunity to meet employees from the other State agencies engaged in similar work and to exchange ideas and thoughts with them. The variations in each State's administration of its unemployment compensation program was of particular interest to me. My only regret was that the course could not have been of 10 days' to 2 weeks' duration, with the additional time devoted to a further study of administrative law and electronic data processing. Perhaps another seminar can be planned for the future.

In summary, I felt the week at the University of Colorado was of great value to all those in attendance. The Bureau of Employment Security and the University of Colorado staff should be complimented on the choice of subjects and the manner in which they were presented. The days went swiftly and smoothly. Many of the participants commented on how efficiently the seminar was conducted.

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Research Reports*

Following are summaries of selected UI research reports published by the State employment security agencies during the first quarter of 1967.

Voluntary Job Separations—Montana

In March 1967, Montana published a report on "Voluntary Job Separations," based on data gathered from July 1964 through June 1965. This was a small-scale study that used program statistics to gain insight into the following areas of inquiry: Personal characteristics of claimants disqualified for voluntary quit; the extent of benefits paid after disqualification; and reasons given by claimants for voluntary quit.

The Montana law provides that an individual shall be disqualified for benefits for 2 to 5 weeks, "if he has left work, without good cause attributable to the employment. . . ." The study report focuses on this aspect of disqualifications but does not examine claimants involved in other separation issues or in availability issues. Some of the findings follow.

About 15 percent of all eligible claimants from July 1964 through June 1965 were disqualified for leaving their jobs voluntarily.

**Prepared in the Office of Program Development and Legislation, Unemployment Insurance Service, Bureau of Employment Security.*

Among the disqualified claimants studied some interesting differences were noted between men and women. Married women had slightly more employment than the married men, as measured by having earned at least $100 in more quarters. Of the four groups of disqualified claimants shown by sex and marital status, married women had the greatest potential duration, reflecting in part lower base-period earnings among younger claimants in other groups who may not have had enough labor force experience to qualify for maximum duration of benefits. Women had somewhat longer potential duration than men but drew considerably more weeks of benefits; 16 percent of the women drew 26 weeks but only 3 percent of the men did so. This differential may have been due in part to the shorter disqualification period imposed upon married women compared to other groups.

Compared to all claimants, a disproportionately heavy concentration of the men were from mining industries and, to a lesser extent, trade. Men from the construction industry were much fewer proportionately among disqualified claimants than among all claimants.

Of the 25 items classified in the study as reasons for separation, personal health was by far the one given most by disqualified claimants. Of the claimants studied, 17 percent cited this reason. Personal health plus moves to another area and dissatisfaction with pay or hours worked together accounted for the reason for separation given by almost one-half of all the claimants studied.

Among claimants disqualified for voluntary quit 58 percent received some benefits subsequent to the disqualification.

CWBH Report—South Dakota

In February 1967, South Dakota published a report entitled "Continuous Wage and Benefit History Report in Unemployment Insurance," covering the years 1962–65. The study describes the work force in the State, the annual and high-quarter wage patterns of workers in covered employment, the claims experience of unemployed workers, and the industrial composition of the labor force. Although the report emphasizes the calendar years from 1962 through 1965, it also provides historical background for prior years extending back to the 1930's. Following are highlights of the findings.

The number of workers with earnings in covered employment decreased 9 percent from 1962 to 1965. This reflects primarily a 42-percent decrease in the number of workers in contract construction, brought on by completion of defense installations and the Oahe Dam.

The number of different workers with earnings in covered employment decreased from 176 percent of average monthly covered employment in 1962 to 165 percent in 1965.

Only 56 percent of the workers in covered employment during 1965 would have been eligible for unemployment insurance on the basis of meeting the State requirements of (1) annual earnings of at least $600, (2) high-quarter earnings of at least $250, and (3) annual earnings in excess of 1.5 times high-quarter earnings.

Almost one-third of all workers with wages in covered employment in each year from 1962 through 1965 had annual wages amounting to less than $600—the minimum needed to meet the State's eligibility requirement. At the other end of the scale, about one-fifth of all covered workers in each of these years had annual wages of $4,800 or more.

The median high-quarter earnings in 1965 were $748 for all covered workers, $1,061 for claimants, and $1,224 for all covered workers with sufficient wages to qualify for benefits.

In 1965, almost one-fourth of all covered workers in South Dakota would have been ineligible for unemployment insurance benefits because they earned less than $250 in their high quarter.

The proportion of covered workers who filed eligible new claims was highest in the contract construction industry from 1962 through 1965, with about two out of every 10 workers filing for unemployment benefits in each of these years.

In 1965, the percent of workers with sufficient wage credits to meet UI eligibility requirements was lowest in services and miscellaneous industries (42 percent) and contract construction (46 percent); it was highest in mining and quarrying (74 percent) and finance-insurance-real estate (74 percent).

In 1965, 5.4 percent of the covered workers filed eligible claims. If only those workers with sufficient wages to qualify for benefits are considered, however, the claimant ratio was 9.7 percent.

South Dakota has maintained a 10-percent sample of quarterly tax wage records of workers in covered employment since 1962. The worker

analysis is based on data obtained from annual summary cards prepared for each sample worker. This card includes such data as last industry, annual wages, high-quarter wages, and quarters with wages. Claimant data were obtained from the ES–206 report and other agency records.

Benefits by Industry—Washington

In March 1967, Washington published a report on the "Experience of Beneficiaries in the 1965–66 Benefit Year by Industry," based on calendar year 1964. Following are some of the facts revealed.

Some 13.4 percent, or 90,120 of all covered workers who earned the qualifying minimum of $800 under the Washington State law, became beneficiaries in 1964, more than 4 percent under the proportion in 1963.

All industries shared in the 26-percent decrease in the number of beneficiaries over the year, with the aerospace industry showing the most spectacular relative drop.

High beneficiary incidence rates were noted in the canning and preserving industry (44.8 percent), the fishing industry (44.4 percent), heavy construction (33.3 percent), and wholesale groceries and related products which includes fresh fruit and vegetable packing (32.2 percent).

Industries with low beneficiary incidence rates included air transportation (3.1 percent), security and commodity dealers (3.2 percent), holding and investment companies (4.0 percent), and electric, gas, and sanitary services (4.3 percent).

The overall beneficiary rate from manufacturing was 13.1 percent, running from a high (44.8 percent) in the canning and preserving segment of food processing to a low (3.2 percent) in aerospace.

A total of 17,597, or 19.5 percent of all beneficiaries, exhausted their benefits. This is the lowest exhaustion rate since the 18.5 percent chalked up in the 1951–52 benefit year.

The highest exhaustion rate was 42.4 percent in wholesale groceries and related products, followed by 38.5 percent in the canning and preserving industry. The lowest exhaustion rate was 6.6 percent in the contract construction industry.

Construction and lumber industries had a high percent of beneficiaries but a low percent of exhaustees.

The study report states that, almost without exception, women in every industry exhausted benefits at rates much higher than men. The overall exhaustion rate of women ran almost three times that of men. About half of the women in canning and preserving and in wholesale groceries and related products exhausted their benefits—the same rates as a year earlier. The report does not present data by sex on potential duration.

Unemployment Insurance Decisions*

Sales Credit

Alabama.—For 2 years the claimant had been trying to sell a certain customer a refrigerator. One day the customer came into the store to look but did not make a purchase. However, he came back during the claimant's lunch hour and bought a refrigerator from another salesman. The claimant heard a rumor to that effect, but the other salesman and the store manager denied that the sale had been made. The claimant told the manager that if the sale had not been made he would contact the customer. He checked the sales records just before leaving for the day and found no record of the sale. That night he called the customer who told him that he had bought the refrigerator from another salesman and asked the claimant if he had received credit for the sale, saying that he would come in to see that he did get credit. The claimant replied that he would appreciate it if he would just forget it. Nevertheless, the customer came into the store the following day and insisted that the claimant be given credit, and he threatened to stop payment on the check with

**Prepared in the Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.*

which he had paid for the refrigerator. As a result of this incident the claimant was discharged.

The appeals referee concluded that the claimant had acted in what he believed to be the best interest of the employer. He had not only checked with the other salesman and the store manager but had also checked the sales records for the day before contacting the customer. He was not responsible for the customer's actions. He was held not discharged for misconduct connected with his work. (Decision No. 5661–AT–67, June 23, 1967.)

Out of Character

California.—The claimant was employed as an account executive by a leading advertising agency. She was discharged after several warnings concerning the necessity of good grooming compatible with her position, taking unauthorized leave from her work, and failure to file daily required production reports. The referee found that the claimant, despite the warnings, continued to wear garments that were soiled and wrinkled; that notwithstanding the warnings from the employer, she did not wear appropriate clothing; and that in the week immediately preceding her discharge her grooming and attire were such that the firm could not retain her any longer. Moreover, the claimant had not made out the required daily reports. On occasion during her working hours of 9 a.m. to 5 p.m., she was not at work but was at the beauty parlor, at home, or on an apparently unnecessary trip with a client.

The appeals referee found further that the company's desire to have the claimant make a proper appearance was for the purpose of acquiring more business and keeping that business which it already secured, and that the daily reports were necessary to the employer's business. The claimant was held to have been discharged for misconduct connected with her work. (Case No. F–613, affirmed by Appeals Board Case No. 67–1376, June 1, 1967.)

Case of the Imperfect Typist

California.—The claimant accepted a job as a temporary typist 15 miles from her home. On the first day she was given a letter to type for practice and at the end of the day her work was discarded. On the second day she was given letters to type requiring carbon copies. Because of her errors these letters had to be discarded. She was advised that the letters must be perfect. Then a fellow employee told her that she would be taking little or no dictation. Because of the requirement of perfection in her work, the belief that she would not receive practice in stenography, her dissatisfaction with the wage, and the necessity to commute, the claimant left the job. She had no prospects of other employment.

The referee said: "The claimant was well aware of the commuting distance and the wage connected with the job at the time she accepted it. Her subsequent disenchantment with these conditions, by itself, does not furnish a compelling reason for the claimant's voluntary termination. The referee finds that the employer's requirement that the claimant's work be perfect was not unreasonable and the claimant has not shown that she would have suffered any ill effects in an attempt to comply with this requirement. The claimant's reliance on the information given to her by another employee as to the nature of her work in the future may or may not have been well founded. However, it is the opinion of the referee that it was the duty of the claimant to remain in this work for more than 2 days so that she could determine from her own experience whether the work was, in fact, work which she was able to perform. . . ." She was held to have left voluntarily without good cause. (Case No. LB–3572, affirmed by Appeals Board Case No. 67–1083, Apr. 24, 1967.)

Speak No Evil, Hear No Evil

Georgia.—The employer had set up rules against talking and listening except at break periods. One day the claimant was sent home by her immediate supervisor for "talking" while on duty although she had merely by moving her lips answered another worker's question regarding a matter connected with the work. At that time she was told that it was just as bad to listen as to talk.

The appeals referee said: "The evidence further shows that the claimant was not talking at the time she was sent home, but had merely responded to a question by motion of her mouth without actually saying a word. The evidence shows that the claimant was discharged for listening. It is held that any rule regarding listening is an unreasonable rule as the claimant or any other worker would have no definite control over what they hear . . . ." (AT–42,149, June 15, 1967.)

Breakfast Not to His Taste

Idaho.—The claimant accepted a 6-month job in the Philippines, at a salary of $1,800 a month. He understood that travel would be furnished to the jobsite from the base of operations. In the beginning the base of operations was located near an airbase where American food was served for breakfast. Later a van was moved closer to the jobsite and designated as the base of operations. This meant that the claimant had to get his breakfast at a local restaurant which did not serve food to his particular taste, and after 4 days he quit his job.

The appeals examiner said: "The claimant was given many benefits for accepting work in another country and had as his main and possibly only complaint that he could not get a proper breakfast. This particular complaint was only of 4 days' duration when he decided he could no longer put up with it and quit. He made no attempt to adjust to the circumstances in any manner and failed to show in any instance where the company did not honor their portion of the contract he signed with them. . . . The precipitous manner in which he left and his failure to take advantage of grievance procedures, etc., through his union, further indicate that the claimant left his work voluntarily without good cause." Benefits were denied. (Docket No. 345–67, June 22, 1967.)

Snowbound Septuagenarian

Illinois.—The claimant had worked as a button sewer for a women's garment manufacturer for 29 years. During this employment, she had been laid off for various periods

because of lack of work. She was a 72-year-old widow, foreign born, and had difficulty making herself understood in English. With respect to the 2-week period involved in her claim, she had registered for work with the State Employment Service and she reported to the local unemployment office as directed, except on January 27, 1967 (the second day of the record snowstorm in Chicago, when most places of employment and all State offices were closed). On that day, she had attempted to go to the local unemployment office, but had slipped and fallen. On February 2, she did report to the local office, even though there was still a great deal of snow and ice on the ground.

The Board of Review held the claimant was available for work and eligible for benefits. The Board reasoned: "She made an effort to reach the local office and her union office on her regularly scheduled report day, but was not able to do so because of severe weather conditions. Although she had hurt her leg somewhat during the storm, she was able to report on her next report date, the following Friday, February 2, 1967. She reported to her union, as required, the week prior to the week in which the storm occurred and, again, a week later. . . . In the light of her background of employment for many years with only one employer, her age, mental traits and lack of education, her registration with her union and with the State Employment Service, and her frequent visits to the former constituted an active search for work. This is especially true since the union maintains a placement office for its members, is aware of what jobs exist, and makes an effort to place its unemployed members in those jobs." (Decision No. 67-BRD-1281, June 30, 1967.)

Trends in the Economy*

ON BALANCE, the economy in June showed a slight upward movement as a number of significant business indicators posted gains. Personal income staged its most vigorous advance in 5 months. Retail sales moved higher as purchases of durable goods, especially automobiles, quickened. In the area of construction activity permits for future construction rose substantially. On the down side, industrial production, influenced to some degree by inventory adjustments, continued its decline, reaching its lowest level in 14 months. In addition, total unemployment rose more than seasonally in June, as large numbers of adult women and youths seeking summer jobs entered the labor force. The jobless rate moved up from 3.8 to 4.0 percent, the highest rate since December 1965.

For the second quarter as a whole, the Nation's economy showed evidence of recovery from the "retardation" experienced in the first quarter of 1967. Gross national product in the second quarter rose by $9 billion (annual rate) to $775.3 billion, with personal consumption expenditures furnishing most of the strength. In contrast to the first quarter, when the increase in gross national product reflected only price rises, about half of the advance in the second quarter was in real product.

The demand for labor weakened in the second quarter of 1967 as production slackened in response to the adjustment in inventories. Employment averaged some 73.8 million on a seasonally adjusted basis, down from an average of 74.1 million in the preceding quarter; the second quarter volume was, however, some 1.2 million above a year earlier. As demand for labor lessened in the second quarter of 1967, unemployment moved slightly higher, rising by some 108,000 to a seasonally adjusted 2.9 million—about the same level as in the comparable quarter a year earlier. The jobless rate edged up from 3.7 percent, seasonally adjusted, to 3.8 percent; this compares with a rate of 3.9 percent in the April–June quarter of 1966.

Business Activity

Gross national product, at a seasonally adjusted annual rate of $775.3 billion in the second quarter of 1967, was $9 billion above the preceding quarter and some $38.6 billion higher than in the comparable quarter a year earlier.

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

The quarter-to-quarter increase chiefly reflected a sizable advance in the rate of personal consumption expenditures (the largest rise since the first quarter of 1966) and a moderate gain in the rate of government purchases. Consumers were buying at an annual rate of $488.9 billion—$8.7 billion above the previous quarter and some $27.3 billion more than in the comparable quarter of 1966. Consumer expenditures for services posted a gain of $3.6 billion, while purchases for durables and nondurables advanced by $2.7 and $2.4 billion, respectively. The rebound in the durables sector reflected the sharp rise in automobile purchases, with sales back to about the level of last fall. The rate of government purchases moved up by $4.8 billion from the preceding quarter. The gain was shared about equally by the Federal, State, and local sectors; the advance in the Federal sector, $2.4 billion, was all in defense spending.

Gross private domestic investment moved down by $4.3 billion to an annual rate of $106.1 billion. The decline was chiefly attributable to less inventory accumulation. The buildup, at $2.1 billion, was $5.0 billion below the rate of increase in the prior quarter and $16.4 billion under the record $18.5 billion accumulation of the final quarter of 1966. This decline, however, was only about half as great as the extreme drop in the first quarter. On the more positive side, residential construction showed the first real gain since its sharp falloff in 1966; the annual rate, at $22.7 billion, was $1.3 billion above that of the prior quarter but sharply below the $25.8 billion annual rate in the second quarter of 1966.

No significant change occurred in the net export sector.

The index of *industrial production* moved down in June, the third straight month that a decline was registered. The June figure was a 14-month low and was nearly 1 percent below the level a year earlier.

At a seasonally adjusted 155.2 percent of the 1957–59 average, the index was down 0.3 percent from May's 155.5 percent and off 1.3 percent from the 156.5 percent level of a year earlier.

The index for all manufacturing dropped half a point to 156.7 percent, with both durables and nondurables contributing to the decline. The index for durable goods moved from 163.3 percent in May to 161.6, while that for nondurable goods eased 0.3 point to 150.5 percent. In the durable goods sector, the iron and steel index registered the largest decline, dropping by 1.7 points to 121 percent. Steel producers poured some 9.6 million tons of steel in June compared with 10.6 million tons in May and 11.4 million a year earlier. The electrical machinery sector posted the next largest decline in output, moving down by 1.2 points to 171 percent. Transportation equipment was the only durable goods industry showing a significant gain, up 2.8 points to 171 percent as some 763,300 passenger cars were assembled, nearly 2 percent above the number in May but 7 percent below the year-earlier figure.

The mining index regained its April position in June, rising from 121 percent in May to 123 percent. A year earlier, it was 122 percent. The utilities group also gained in June, up 1 point to 182 percent, which was 10 points above June of 1966.

New factory orders for durable goods slipped slightly in June, after rising sharply in May. At a seasonally adjusted $23.8 billion, the level of orders was 0.6 percent less than that of a month earlier. Although the decline between May and June was negligible, the June figure was considerably less than the $24.6 billion a year earlier.

Nearly all of the falloff in orders occurred in the aerospace industry, chiefly in defense orders. Transportation equipment bookings also dropped in June, moving down by $200 million to $7.0 billion. Although new orders for primary metals held steady over the month at $3.6 billion, they were substantially below the $4.1 billion of June 1966.

Factory shipments in June, at a seasonally adjusted $23.1 billion, were 1 percent above the levels both in May and a year earlier. The June volume, however, fell short of the record $23.7 billion registered in December 1966.

Shipments of transportation equipment rose to $6.5 billion, up from $6.3 billion in May and $6.1 billion in June 1966. Primary metals shipments moved up by about $100 million to $3.5 billion, which was some $300 million below the year-earlier level. The value of machinery shipments was unchanged in June at $6.8 billion, but was $200 million more than a year earlier. Despite the decline in orders, they outstripped shipments and the *backlog of new orders* advanced, rising by $600 million to a seasonally adjusted $75.7 billion in June. Compared with $29.4 billion a year earlier, the backlog of transportation equipment orders increased by $500 million to $33.6 billion. The machinery backlog rose to $24.7 billion from $24.5 billion in the preceding month and exceeded the

$23.1 billion of a year earlier. The backlog of primary metals edged up to $5.9 billion but was substantially smaller than the $7.3 billion of a year earlier.

Housing starts in June showed only a small change, edging down to a seasonally adjusted annual rate of 1,209,000 units from 1,266,000 in May. Housing start figures for the period 1963 through mid-1967 were recently revised due to the introduction of new seasonal adjustment factors and improved estimating methods. The revisions in the monthly data resulted in generally lower figures.

In contrast to the small rise in the rate of housing starts, permits for future construction were issued at a 1,074,000 seasonally adjusted rate, up 4 percent from the May pace and 12 percent above the issuance rate in June 1966. The bulk of the rise in permits occurred in the West, with a less substantial gain in the North East. The rate remained constant in the North Central region and declined in the South.

Single family and two- to four-family units accounted for the entire increase in permits. The former advanced 40,000 to 641,000 in June, while the latter, at 75,000, were up 12,000. Permits for apartments with five or more families declined to a 358,000 unit annual rate from May's 369,000 pace.

Personal income in June staged its strongest advance in 5 months, with the seasonally adjusted annual rate rising over the month by $3.7 billion to $621.9 billion.

The payroll expansion was due to increases in both the manufacturing and nonmanufacturing sectors. After losing $300 million in May and $400 million in April, factory payrolls rose $700 million in June. Nondurables showed the greatest advance, particularly in the food, printing, and chemical industries. Durable goods payrolls were dampened somewhat by a strike in the electrical equipment industry.

For the first half of the year, personal income was at a seasonally adjusted annual rate of $615.9 billion, up 7.5 percent from the year-earlier figure of $572.6 billion. Of the $43.3 billion increase, wages and salaries accounted for $30.6 billion, or 71 percent; and transfer payments, $9 billion.

Seasonally adjusted, sales of nondurable goods were estimated at $17.7 billion, down 1 percent from May's $17.8 billion but up 2 percent from the value in June a year earlier.

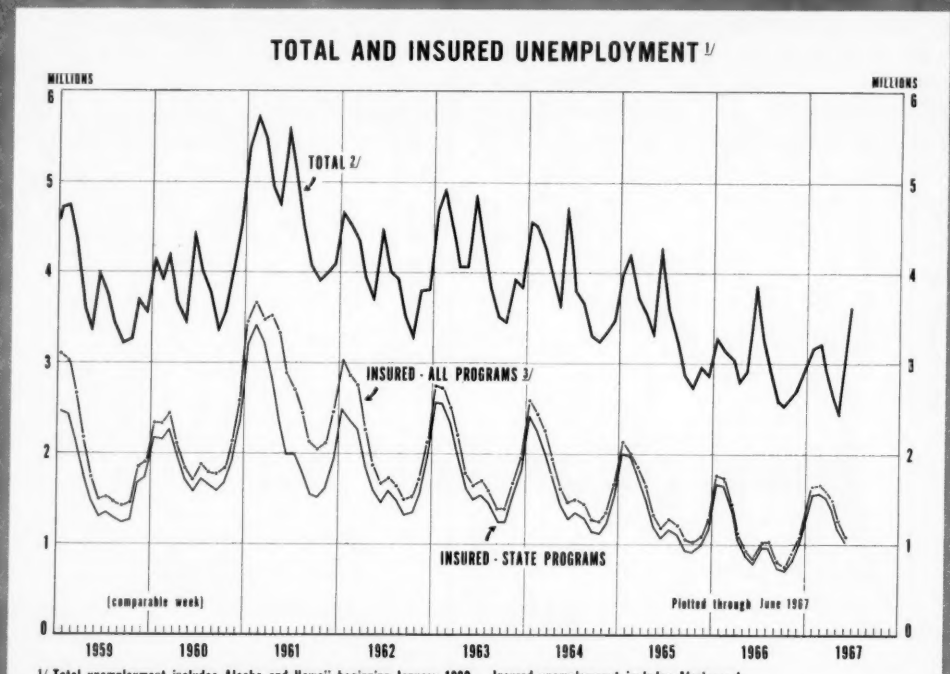
Employment Developments

Both the *civilian labor force and employment* advanced more rapidly than is usually expected for June as persons seeking seasonal employment entered the labor force and found jobs in an unusually large number. Total employment was up by some 1.8 million to a volume of 75.4 million. Both farm and nonagricultural employment shared the gain; the former moved up by 570,000 workers to 4.4 million, while the latter climbed by 1.2 million to 71.0 million. A year earlier, total employment stood at 74.0 million.

The number of employees on *nonfarm payrolls* rose by about 150,000 to 65.6 million (seasonally adjusted) in June, with the bulk of the improvement concentrated in the government sector where the 82,000 rise was chiefly in the State and local sectors. Most other major industry sectors showed only minor gains. The finance, insurance, and real estate sector posted a rise of 17,000, while the services category had an increase of some 15,000. In the construction industry, employment rose by some 9,000 to 3.2 million—slightly above seasonal expectations; gains in homebuilding were partially offset by reduced activity in commercial and industrial construction. Employment in the trade industry, seasonally adjusted, was virtually unchanged for the fifth successive month.

Manufacturing employment rose by 29,000 to a seasonally adjusted level of 19.2 million in June, marking the first advance in 5 months. Excessive inventories which have caused employment in manufacturing to lag in recent months showed strong signs of now being under better control. Two-thirds of the manufacturing industries posted gains in June, with the bulk of the advance in the nondurable goods sector. Rises were generally small, however, except for a gain of 12,000 in the transportation equipment industry. The only significant reduction in employment was in the strike-affected electrical equipment industry.

Compared with June a year earlier, nonfarm payroll employment was up by some 1.6 million, with most of the increase in the service-producing sectors. Employment in government increased by some 680,000, with three-fourths of the gain recorded in the State and local sector. Services had a rise of some 500,000, while trade employment was up by some 381,000. As usual, most of the gain in trade was in the retail segment, accounting for three-fourths of the total. On the other hand, con-



1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data beginning with January 1967 reflect definitional changes in employment and unemployment.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

tract construction employment, which began a downtrend in the second quarter of 1966, was down over the year by some 155,000, and employment in mining was off by 13,000. In manufacturing, employment declined by some 19,000 between June 1966 and June 1967, with the hard goods industries showing a reduction of some 43,000, chiefly in the primary metals, electrical equipment, lumber, and stone-clay-glass industries. In the soft goods sector, which registered an over-the-year rise of 24,000, employment developments were mixed, as one-half of the industries showed increases. The largest gains were posted in printing and publishing (47,000), chemicals (25,000), and food (24,000), while sizable declines occurred in rubber (30,000), apparel (23,000), and textiles (21,000).

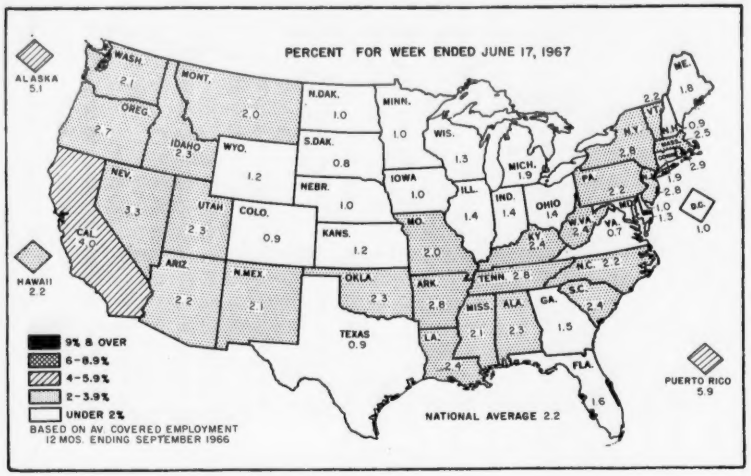
In June, *the workweek for employees on private nonagricultural payrolls* averaged 38.3 hours, down 0.6 hour from the June 1966 level. Average weekly earnings, at $101.88, were up $2.68 over the year. The *average manufacturing workweek* rose to 40.5 hours in June from 40.4 hours in May; overtime increased slightly from 3.1 hours to an average of 3.3 hours a week. *Average hourly earnings* of manufacturing production workers were unchanged at $2.81 in June, while *average weekly earnings* rose to $113.81 in June, reflecting the advance in overtime.

Unemployment

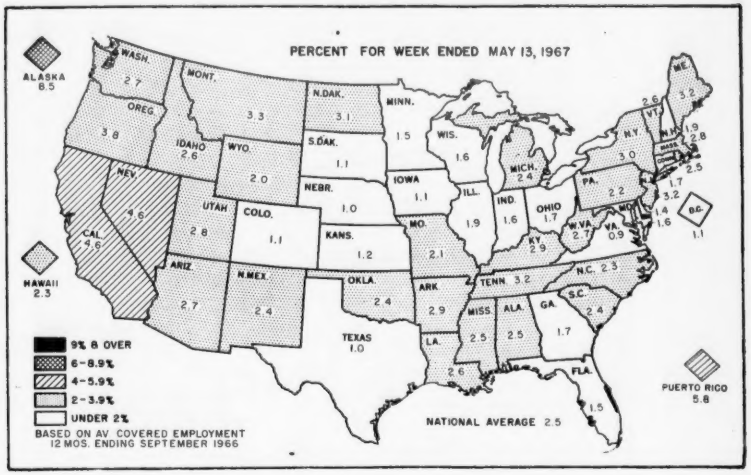
Following the usual pattern for this time of year, total unemployment rose in June, as nearly 3 million persons (mainly young people out of

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

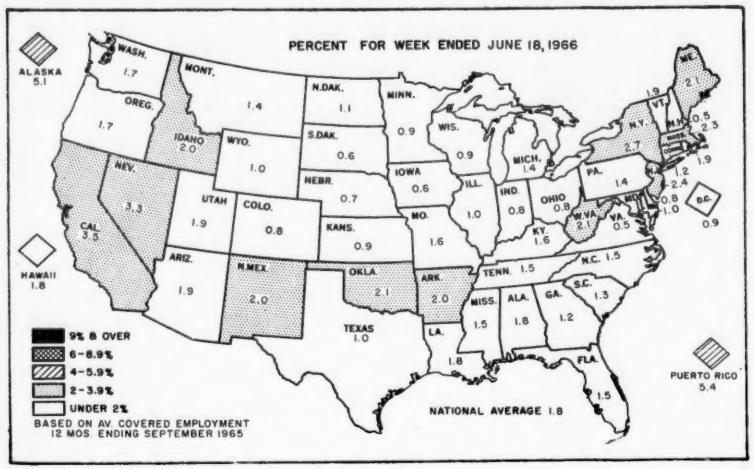
LATEST MONTH



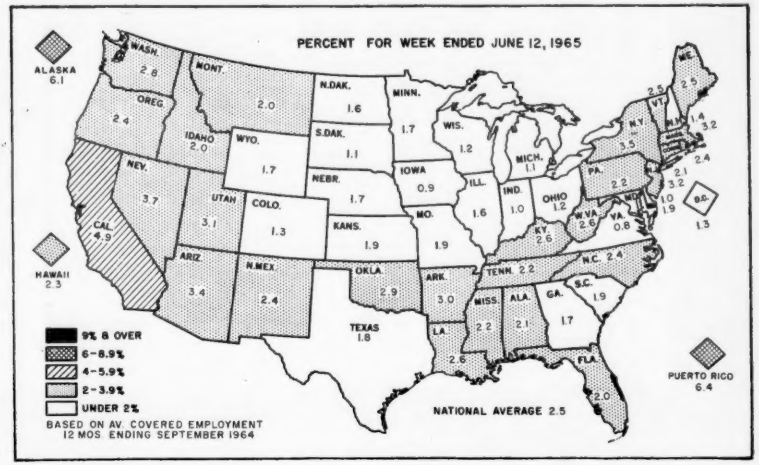
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



school and adult women) entered the labor force. The jobless total rose from 2.5 to 3.6 million, and this rise in joblessness was some 100,000 more than seasonal. Included in the unemployment count were some 1.1 million adult men, 1.1 million adult women, and 1.5 million teenagers. A year earlier, total unemployment was at about the same level.

The rate of total unemployment, seasonally adjusted, increased from 3.8 to 4.0 percent in June—the first time that the jobless rate has reached that level since December 1965. While the rate for adult men moved up in June from 2.4 to 2.6 percent, the jobless rate for adult women jumped by four-tenths of 1 point to 4.3 percent, contributing significantly to the rise in the overall rate. For teenagers, the rate declined from 13.1 to 12.6 percent.

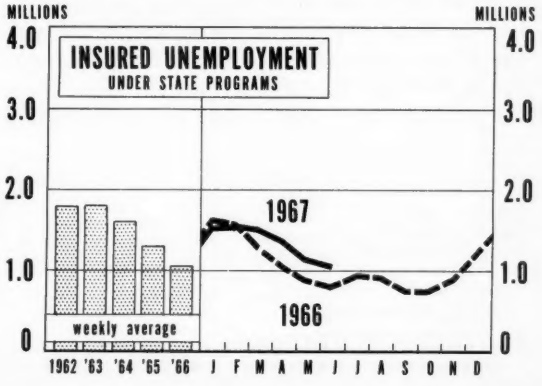
The jobless rate among white youths showed some improvement over the year, moving from 15.1 to 13.6 percent this June. In contrast, among nonwhite youths the unemployment rate remained about 27 percent.

Insured Unemployment*

INSURED UNEMPLOYMENT in June showed a greater than seasonal reduction, moving down by 11 percent, or 123,200, to a weekly average of 1,018,900. The expected decline between May and June is 8 percent. With the exception of June 1966, the insured jobless total was the lowest for any June since 1953, when insured unemployment averaged 838,500. The bulk of the over-the-month decline was attributable to a pickup in construction activities in most parts of the country. There was also a sizeable expansion in the apparel industry and an increase in the hiring of resort workers, usual for this time of year. The seasonally adjusted level of insured unemployment edged down from 1.3 million to 1.2 million in June. A year earlier, the level was slightly under 1.0 million.

The Nation's insured jobless rate was 2.1 percent, compared with May's 2.4 percent. (With the exception of June 1966, when the rate was 1.8 percent, the unemployment rate was the lowest for any June since 1945.) Among the States, rates varied widely, ranging from highs of 5.4 percent in Alaska and 4.0 percent in California to lows of 0.8 percent in South Dakota and 0.7 percent in Virginia. Five of the 10 large industrial States recorded rates below the national average—Michigan (2.0 percent); Illinois, Indiana, and Ohio (1.4 percent each); and Texas (0.9 percent).

All States but five reported declines in insured joblessness between May and June. The most substantial reductions occurred in four large industrial States—California (28,500), New York (12,400), Illinois (8,600), and Michigan (7,900). Each of these States registered a pickup in construction activity. In addition, New York reported less joblessness among apparel and resort workers, while Illinois posted significant insured unemployment declines among apparel, paper, fabricated metals, and electrical machinery workmen.



Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

Week ended—	Initial claims [1] 1967	Initial claims [1] 1966	Insured unemployment [1] 1967	Insured unemployment [1] 1966
May 6	221, 600	164, 400	1, 241, 900	916, 700
May 13	188, 400	151, 000	1, 169, 100	881, 700
May 20	177, 900	146, 700	1, 129, 400	852, 600
May 27	170, 800	151, 500	1, 062, 200	813, 900
June 3	175, 600	141, 600	1, 084, 600	816, 300
June 10	188, 400	149, 300	1, 038, 500	799, 100
June 17	176, 700	152, 300	1, 022, 800	786, 300
June 24	178, 000	150, 500	1, 008, 300	782, 900
July 1	206, 300	188, 500	978, 700	787, 200
Weekly averages				
May	187, 800	152, 300	1, 142, 100	861, 700
June	186, 300	156, 300	1, 018, 900	792, 700

[1] Refers to State programs.

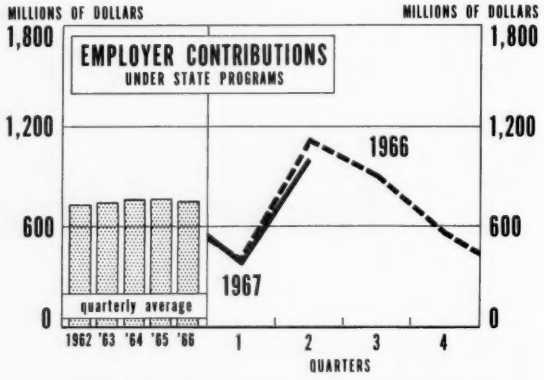
Compared with a year earlier, insured unemployment was up by 226,000. Higher levels of joblessness were reported in all States but three—Maine, North Dakota, and Texas. Increases in unemployment of more than 15,000 occurred in five States—California (28,000), Pennsylvania (22,600), Ohio (17,900), Illinois (16,200), and Michigan (15,700).

Benefits

Unemployment insurance benefits dropped to $165.4 million in June, some $27.7 million less than in May but $42.0 million above the year-earlier amount. A total of $156.1 million was disbursed under the State unemployment insurance programs, $3.5 million under the UCX program for ex-servicemen, $3.4 million under the UCFE program for Federal employees, and $2.5 million under the railroad program.

The average weekly benefit check for totally unemployed workers under the State programs was $39.99, compared with $40.99 in May and $38.72 a year earlier. The highest average weekly benefit checks were disbursed in Hawaii ($51.14), California ($49.49), Colorado ($47.24), and Michigan ($44.14); the lowest were paid in Puerto Rico ($17.93), West Virginia ($25.90), and Mississippi ($26.25).

About 10 percent of all State program payments in June were for partial unemployment; the average of such payments was $22.99, compared with $22.91 in May. The ratio of partial payments to the total number varied widely among the States,



from a high of 25.2 percent in New Hampshire to a low of 2.7 percent in the District of Columbia.

Exhaustions

In June, the number of persons exhausting their benefit rights under State programs totaled 81,500, down by 6,000 from May. With the exception of June 1966, when exhaustions averaged 67,600, the June figure represented the lowest for the month since 1953 when exhaustions totaled 60,800. Declines were reported by approximately three-fourths of the States, with the most substantial reductions occurring in three large industrial States —California (1,900), Indiana (1,300), and Michigan (1,000). Exhaustees in June represented about 9.0 percent of the 900,000 claimants who ceased filling for benefits during the month. The remainder presumably had returned to work or had left the labor force.

Activity [1]	Number or amount, June 1967	Percent change from— May 1967	Percent change from— June 1966	January–June cumulative (in thousands) 1967	January–June cumulative (in thousands) 1966
Initial claims [2]	803, 200	−5. 3	+16. 4	6, 150	5, 201
Weeks claimed [2]	4, 551, 000	−16. 2	+27. 1	35, 966	31, 791
Insured unemployment (weekly average) [2]	1, 018, 900	−10. 8	+28. 5	1, 383	1, 223
Beneficiaries (weekly average)	925, 200	−8. 7	+31. 9	1, 194	1, 071
Benefits paid [3]	$156, 083, 100	−15. 0	+36. 5	$1, 235, 073	$1, 043, 870
Claimant exhaustions	81, 500	−6. 9	+20. 5	457	458

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.

SELECTED UNEMPLOYMENT INSURANCE STATISTICS, STATE PROGRAMS, JUNE 1967

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending June 1967 (in thousands)		Funds available June 1967 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/803196	8/4550954	8/1018867	925186	$39.99	81504	$156083080	$1962501	$3281065	$10202140
Alabama	8655	61648	14516	12190	30.43	1274	1594751	18796	31525	110104
Alaska	1312	10327	2237	2190	43.63	177	414562	6710	11080	10/20030
Arizona	5679	28739	6528	5476	37.75	558	895750	11547	19350	76135
Arkansas	7890	40816	9248	7603	29.33	791	952713	11397	17385	41496
California	134123	832596	184631	168841	49.49	16883	35798404	462349	592745	841470
Colorado	3467	15324	3533	2975	47.24	330	585857	9897	14738	70554
Connecticut	12516	74497	16524	14140	43.60	1134	2666227	28467	65960	262155
Delaware	1460	7387	1671	1787	43.63	203	325324	7414	6449	24831
Dist. of Col.	2234	14723	3435	3157	45.02	274	620997	7165	11291	70507
Florida	16745	84161	18656	14279	28.50	1978	1759223	18440	39210	218115
Georgia	8934	57961	14246	12862	34.39	2203	1796987	17915	44300	238551
Hawaii	2275	19039	4329	3868	51.14	286	837683	10280	11750	26929
Idaho	2748	13936	3297	2772	39.46	421	455772	7436	10051	36127
Illinois	89735	196204	43534	41689	41.69	3562	7432891	78464	87887	564910
Indiana	15228	78861	18755	18165	34.55	3203	2719189	26574	62603	239979
Iowa	3947	23259	5078	4559	40.97	454	777984	9113	14581	124878
Kansas	4034	20395	4631	4171	40.38	397	726252	9758	19628	78606
Kentucky	6450	58151	12891	10674	36.23	1006	1623001	17387	30695	141973
Louisiana	11989	68300	16279	14946	36.74	1262	2368225	22246	40283	155554
Maine	3293	18655	3915	4246	*30.97	299	531970	7728	10679	39936
Maryland	9516	50937	11097	11029	39.40	666	1805839	24646	47847	214936
Massachusetts	36346	188136	42128	37618	41.86	3098	6295911	90686	144299	304845
Michigan	35247	193949	44594	36620	44.14	3756	6944876	111368	181854	10/624179
Minnesota	5158	41209	8293	7378	37.33	878	1184074	22263	45601	55297
Mississippi	4624	30549	7137	5857	26.25	521	665565	6811	15104	76127
Missouri	24194	89363	19792	15905	36.81	1249	2339592	31419	46827	265847
Montana	1558	10350	2262	2276	31.14	433	314611	5598	6510	20143
Nebraska	2009	10493	2522	2587	34.52	339	385399	5934	9607	46207
Nevada	3250	20434	4285	4486	42.22	503	817914	12526	11217	27414
New Hampshire	1630	7497	1645	1440	37.00	3	204238	2469	7456	38697
New Jersey	38404	226209	49869	50250	40.47	4714	8608658	111538	160712	384696
New Mexico	2905	15806	3549	3050	31.21	191	408473	6198	8234	37905
New York	134343	662503	146792	146665	41.99	7129	25439530	315166	445669	1500948
North Carolina	18044	107812	25191	22887	28.31	1310	2738686	24649	57239	290633
North Dakota	505	3917	829	800	38.12	131	133359	4739	5214	6157
Ohio	29143	180781	39046	35379	39.98	2294	6102504	61603	176292	552899
Oklahoma	5940	43061	9763	8391	27.71	722	1005319	10196	15468	57513
Oregon	10971	59930	13157	12820	35.28	1228	1943132	27514	37757	113528
Pennsylvania	61272	303112	66808	60468	36.40	2657	8852152	95834	317247	625781
Puerto Rico	8/10374	8/76780	8/18877	10400	17.93	2541	8438875	9/15985	25147	70774
Rhode Island	8589	31157	7532	6084	40.19	455	1028534	12504	22127	68007
South Carolina	11019	58146	12670	11058	31.90	1266	1528842	13350	27058	112073
South Dakota	392	2641	634	559	30.25	117	69593	1581	2749	16244
Tennessee	12738	102457	22949	18864	30.41	1664	2462818	23854	50523	149884
Texas	14895	81417	18973	15288	31.04	1851	2015475	27638	64981	308794
Utah	3039	21046	4745	4015	38.40	457	665245	9872	12373	39921
Vermont	1525	9391	1980	1965	38.02	115	302665	3610	9546	16901
Virginia	5076	28167	6562	5506	31.75	705	753230	8906	24363	175062
Washington	12127	69491	14735	14660	33.46	2233	2182365	34085	71242	271910
West Virginia	4450	35974	8035	7467	25.90	457	824790	10376	20178	76235
Wisconsin	10340	59380	13719	12093	44.33	1059	2777146	38234	64187	250586
Wyoming	578	3226	766	733	39.12	67	120909	2264	4248	12753

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $34,861 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.
* Estimated.

Selected Unemployment Insurance Statistics, Federal Programs,[1] June 1967

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	9,046	78,785	18,402	$3,369,911	$41.62	16,988	82,786	18,627	$3,471,285	$42.35
Alabama	481	2,215	377	56,361	33.97	311	1,533	323	50,229	35.35
Alaska	88	1,429	422	83,893	45.18	34	214	51	10,609	47.36
Arizona	244	1,170	235	40,747	39.48	260	1,183	239	42,511	40.49
Arkansas	74	997	117	17,111	33.35	158	711	144	23,108	36.45
California	1,269	16,294	4,418	975,404	50.19	3,301	19,951	5,393	1,159,673	48.87
Colorado	70	364	78	15,091	43.87	190	671	143	28,808	45.80
Connecticut	53	346	55	10,839	45.16	144	496	89	15,709	40.28
Delaware	11	97	9	1,720	43.00	28	138	28	5,736	46.26
Dist. of Col.	212	2,682	704	147,118	47.47	57	409	90	17,441	44.27
Florida	180	966	115	14,793	29.29	369	1,262	220	30,977	32.00
Georgia	217	1,519	343	57,869	38.32	283	1,430	355	64,000	41.00
Hawaii	93	1,008	270	63,856	53.71	141	770	191	44,463	53.00
Idaho	12	106	37	6,145	37.47	90	405	88	16,074	41.75
Illinois	358	3,127	652	106,517	37.14	568	1,831	375	68,211	41.29
Indiana	66	589	131	19,628	34.02	237	896	200	33,482	38.00
Iowa	27	235	75	13,658	41.14	103	377	71	14,300	45.54
Kansas	69	522	119	20,925	40.09	139	448	105	20,917	45.37
Kentucky	125	1,198	216	34,635	36.38	401	2,317	479	88,125	41.84
Louisiana	125	975	162	25,338	35.54	272	1,673	375	66,811	40.52
Maine	28	255	57	*7,892	31.57	71	197	50	*7,994	36.17
Maryland	119	938	194	34,680	40.61	277	819	196	37,153	43.10
Massachusetts	441	2,650	632	133,837	48.11	346	1,896	440	93,004	48.04
Michigan	167	1,277	305	56,465	42.04	566	3,039	665	124,548	42.54
Minnesota	51	430	108	17,986	37.87	212	953	218	39,321	40.96
Mississippi	134	1,257	318	37,543	26.80	126	439	95	12,427	29.80
Missouri	241	1,240	292	44,968	34.97	367	1,168	288	50,815	40.07
Montana	20	311	66	9,573	32.78	66	253	66	9,634	33.34
Nebraska	24	384	110	16,346	33.84	36	90	23	3,796	37.22
Nevada	50	428	68	12,282	41.08	88	376	81	15,466	43.44
New Hampshire	15	51	15	2,345	34.49	31	139	28	5,781	47.39
New Jersey	380	2,786	567	107,261	42.97	461	2,777	587	112,183	43.45
New Mexico	106	651	154	21,968	32.45	147	628	130	20,096	35.01
New York	855	7,033	1,524	291,028	43.40	1,092	4,546	927	166,188	40.75
North Carolina	311	1,061	240	34,412	32.53	242	1,322	281	48,971	39.56
North Dakota	31	185	38	6,319	37.84	30	181	39	6,993	40.42
Ohio	202	2,181	600	100,654	38.13	900	3,955	642	114,690	40.58
Oklahoma	94	1,327	315	40,586	29.28	137	1,003	223	31,019	31.59
Oregon	100	793	224	34,344	34.83	270	1,331	263	46,923	40.56
Pennsylvania	570	5,113	975	162,900	37.97	1,569	6,686	1,332	239,378	40.85
Puerto Rico	42	440	110	9,236	19.04	131	1,518	349	30,675	19.98
Rhode Island	42	671	166	33,957	46.39	101	390	86	16,589	43.77
South Carolina	93	622	133	19,006	32.54	205	934	194	33,659	39.51
South Dakota	32	275	87	12,511	32.58	27	168	42	6,302	34.25
Tennessee	177	2,749	773	123,353	36.27	381	2,215	441	70,040	36.12
Texas	311	2,281	567	80,982	32.44	572	2,527	563	89,466	36.09
Utah	129	1,250	248	48,872	44.88	132	547	110	20,502	42.19
Vermont	4	100	22	4,045	41.28	15	83	15	2,722	40.03
Virginia	80	472	94	13,857	33.55	123	557	106	17,919	38.37
Virgin Islands	1	0	0	0	0	3	4	1	118	39.33
Washington	273	2,734	645	104,908	36.98	562	2,201	507	85,467	38.34
West Virginia	28	238	54	5,715	23.91	349	1,912	407	58,562	32.70
Wisconsin	109	661	132	23,068	39.64	237	1,131	250	47,252	43.03
Wyoming	12	102	31	5,364	38.87	30	86	24	4,448	41.57

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

* Estimated.

U.S. GOVERNMENT PRINTING OFFICE: 1967 O—274-198

Performance Awards

On July 14, 1967, Robert C. Goodwin, Administrator of the Bureau of Employment Security, presented awards to a group of staff members of the Bureau's Unemployment Insurance Service in Washington, D.C. William U. Norwood, Jr., Director of the Service, assisted in the presentations.

Individual Exceptional Performance Awards for exceptional contributions over a sustained period of time in improving the operations of the joint Federal-State UI system or exceptional service in performance of their duties.

Group Superior Performance Award for work done in conducting a nationwide series of automatic data processing seminars.

Group Superior Performance Award for work done in implementing the 1966 MDTA amendments.

Group Superior Performance Award for work done in connection with unemployment insurance legislation during 89th Congress.

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

The *Unemployment Insurance Review* is published by the Unemployment Insurance Service of the Bureau of Employment Security with the cooperation of the State employment security agencies and is distributed without charge to personnel of the national and State employment security offices. It is also available on subscription at $3 a year (single copies 30 cents) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. In countries other than the United States, Canada, and Mexico, annual subscription is $4.

Subscribers should remit directly to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

Communications regarding editorial matters should be addressed to *Unemployment Insurance Review*, Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

Opinions of authors not connected with the Bureau of Employment Security are their own and do not necessarily reflect the views of the *Unemployment Insurance Review* or of the Bureau of Employment Security.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, January 10, 1964.